DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1919

OFFICIAL REPORT

Editor: ALBERT HORTON

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Reserve Reporter: THOS. BENGOUGH

THIRD SESSION—THIRTEENTH PARLIAMENT—10 GEORGE V.

OTTAWA
J. DE LABROQUERIE TACHÉ
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1920

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SENATORS OF CANADA

ACCORDING TO SENIORITY

NOVEMBER 10, 1919

13-3

THE HONOURABLE JOSEPH BOLDUC, SPEAKER.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
LAWRENCE GEOFFREY POWER, P.C.	Sr. M. Halifax	Halifax, N.S.
JOSEPH BOLDUC (Speaker)	Lauzon	St. Victor de Tring, Que.
PASCAL POIRIER	Acadie	Shediac, N.B.
SIR JAMES ALEXANDER LOUGHEED, K.C.M.G., P.C.	Calgary	Calgary, Alta.
HIPPOLYTE MONTPLAISIR	Shawinigan	Three Rivers, Que.
PHILIPPE LANDRY	Stadacona	Candiac, Que.
ALFRED A. THIBAUDEAU	De la Vallière	Montreal, Que.
GEORGE GERALD KING	Queens	Chipman, N.B.
RAOUL DANDURAND, P.C.	De Lorimier	Montreal, Que.
JOHN YEO	East Prince	Port Hill, P.E.I.
PETER MCSWEENEY	Northumberland	Moncton, N.B.
JOSEPH P. B. CASGRAIN	De Lanaudière	Montreal, Que.
ROBERT WATSON	Portage la Prairie	Portage la Prairie, Man.
GEORGE MCHUGH	Victoria, O	Lindsay, Ont.
JOSEPH GODBOUT	La Salle	Beauceville, West, Que.
FREDERICK P. THOMPSON	Fredericton	Fredericton, N.B.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
FREDERICK L. BÉIQUE	De Salaberry	Montreal, Que.
JOSEPH H. LEGRIS	Repentigny	Louiseville, Que.
JULES TESSIER	De la Durantaye	Quebec, Que.
WILLIAM C. EDWARDS	Rideau	Ottawa, Ont.
JAMES DOMVILLE, Lt.-Col	Rothesay	Rothesay, N.B
L. O. DAVID	Mille Iles	Montreal, Que.
HENRY J. CLORAN	Victoria	Montreal, Que.
WILLIAM MITCHELL	Wellington	Drummondville, Que
HEWITT BOSTOCK	Kamloops	Monte Creek, B.C.
PHILIPPE A. CHOQUETTE	Granville	Quebec, Que.
JAMES H. ROSS	Regina	Moosejaw, Sask.
L. GEORGE DE VEBER	Lethbridge	Lethbridge, Alta.
JAMES M. DOUGLAS	Tantallon	Tantallon, Sask.
PETER TALBOT	Lacombe	Lacombe, Alta.
ROBERT BEITH	Bowmanville	Bowmanville, Ont.
GEORGE C. DESSAULLES	Rougemont	St. Hyacinthe, Que.
NAPOLEON A. BELCOURT, P.C	Ottawa	Ottawa, Ont.
VALENTINE RATZ	North Middlesex	New Hamburg, Ont.
ARTHUR BOYER	Rigaud	Montreal, Que.
BENJAMIN PRINCE	Saskatchewan	Battleford, Sask.
EDWARD MATTHEW FARRELL	Liverpool	Liverpool, N.S.
WILLIAM ROCHE	Halifax	Halifax, N.S.
LOUIS LAVERGNE	Kennebec	Arthabaska, Que.
AMÉDÉE E. FORGET	Banff	Banff, Alta.
JOSEPH M. WILSON	Sorel	Montreal, Que.
BENJAMIN C. PROWSE	Charlottetown	Charlottetown, P.E.I
RUFUS HENRY POPE	Bedford	Cookshire, Que
JOHN W. DANIEL	St. John	St. John, N.B.
GEORGE GORDON	Nipissing	North Bay, Ont.
NATHANIEL CURRY	Amherst	Amherst, N.S.
WILLIAM B. ROSS	Middleton	Middleton, N.S.
EDWARD L. GIRROIR	Antigonish	Antigonish, N.S.
WILLIAM DENNIS	Halifax	Halifax, N.S.
PATRICK C. MURPHY	Tignish	Tignish, P.E.I.
ERNEST D. SMITH	Wentworth	Winona, Ont.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
ALEXANDER MCCALL	Simcoe	Simcoe, Ont.
JAMES J. DONNELLY	South Bruce	Pinkerton, Ont.
WILLIAM H. THORNE	St. John	St. John, N.B.
JOHN MILNE	Hamilton	Hamilton, 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
FREDERIC NICHOLLS	Toronto	Toronto, Ont.
GIDEON D. ROBERTSON, P.C.	Welland	Welland, Ont.
GEORGE LYNCH-STAUNTON	Hamilton	Hamilton, Ont.
ADAM B. CROSBY	Halifax	Halifax, N.S.
CHARLES E. TANNER	Pictou	Pictou, N.S.
THOMAS JEAN BOURQUE	Richibucto	Richibucto, N.B
HENRY W. LAIRD	Regina	Regina, Sask.
LYTTON WILMOT SHATFORD	Vancouver	Vancouver, B.C.
ALBERT E. PLANTA	Nanaimo	Nanaimo, B.C.
GEORGE W. FOWLER	Kings and Albert	Sussex, N.B.
RICHARD BLAIN	Peel	Brampton, Ont.
JOHN HENRY FISHER	Brant	Paris, Ont.
LENDRUM MCMEANS	Winnipeg	Winnipeg, Man.
DAVID OVIDE L'ESPÉRANCE	Gulf	Quebec.
GEORGE GREEN FOSTER	Alma	Montreal, Que.
RICHARD SMEATON WHITE	Inkerman	Montreal, Que.
ANGUS CLAUDE MACDONELL	Toronto South	Toronto, Ont.
RODERICK HAROLD CLIVE PRINGLE	Cobourg	Ottawa, Ont.
AIMÉ BÉNARD	St. Boniface	Winnipeg.
GEORGE HENRY BARNARD	Victoria	Victoria, B.C.
WELLINGTON B. WILLOUGHBY	Moosejaw	Moosejaw, Sask.
JAMES DAVIS TAYLOR	New Westminster	New Westminster, B.C.
FREDERICK L. SCHAFFNER	Boissevain.	Boissevain, Man.
WILLIAM H. BENNETT	Simcoe, E.	Midland, Ont.
GEORGE HENRY BRADBURY	Selkirk	Selkirk, Man.
EDWARD MICHENER	Red Deer	Red Deer, Alta.
WILLIAM JAMES HARMER	Edmonton	Edmonton, Alta.
IRVING R. TODD	Milltown	Milltown, N. B.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
JOHN WEBSTER	Brockville	Brockville, Ont.
ROBERT A. MULHOLLAND	Port Hope	Port Hope, Ont.
PIERRE EDOUARD BLONDIN, P.C.	Laurentides	Ottawa, Ont.
MICHAEL J. O'BRIEN	Renfrew	Renfrew, Ont.
JOHN G. TURRIFF	Assiniboia	Ottawa, Ont.
GERALD VERNER WHITE	Pembroke	Pembroke, Ont.
WILLIAM PROUDFOOT	Huron	Goderich, Ont.

SENATORS OF CANADA

ALPHABETICAL LIST

NOVEMBER 10, 1919

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
BARNARD, G. H.	Victoria	Victoria, B.C.
BEAUBIEN, C. P.	Montarville	Montreal, Que.
BÉIQUE, F. L.	De Salaberry	Montreal, Que.
BEITH, R.	Bowmanville	Bowmanville, Ont.
BELCOURT, N. A., P.C.	Ottawa	Ottawa, Ont.
BÉNARD, A.	St. Boniface	Winnipeg, Man.
BENNETT, W. H.	Simcoe, E.	Midland, Ont.
BLAIN, R.	Peel	Brampton, Ont.
BOLDUC, J. (Speaker)	Lauzon	St. Victor de Tring, Que.
BLONDIN, P. E., P.C.	Laurentides	Ottawa, Ont.
BOSTOCK, H.	Kamloops	Monte Creek, B.C.
BOURQUE, T. J.	Richibucto	Richibucto, N.B.
BOYER, A.	Rigaud	Montreal, Que.
BRADBURY, G. H.	Selkirk	Selkirk, Man.
CASGRAIN, J. P. B.	De Lanaudière	Montreal, Que.
CHOQUETTE, P. A.	Granville	Quebec, Que.
CLORAN, H. J.	Victoria	Montreal, Que.
CROSBY, A. B.	Halifax	Halifax, N.S.
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.
DENNIS, W.	Halifax	Halifax, N.S.
DESSAULLES, G. C.	Rougemont	St. Hyacinthe, Que.
DE VEBER, L. G.	Lethbridge	Lethbridge, Alta.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
DOMVILLE, J. Lt.-Col	Rothesay	Rothesay, N.B.
DONNELLY, J. J.	South Bruce	Pinkerton, Ont.
DOUGLAS, J. M.	Tantallon	Tantallon, Sask.
EDWARDS, W. C.	Rideau	Ottawa, Ont.
FARRELL, E. M.	Liverpool	Liverpool, N.S.
FISHER, J. H.	Brant	Paris, Ont.
FORGET, A. E.	Banff	Banff, Alta.
FOSTER, G. G.	Alma	Montreal, Que.
FOWLER, G. W.	Kings and Albert	Sussex, N.B.
GIRROIR, E. L.	Antigonish	Antigonish, N.S.
GODBOUT, J.	La Salle	Beauceville, West, Que.
GORDON, G.	Nipissing	North Bay, Ont
HARMER, W. J.	Edmonton	Edmonton, Alta.
KING, G. G.	Queen's	Chipman, N.B.
LAIRD, H. W.	Regina	Regina, Sask.
LANDRY, P.	Stadacona	Candiac, Que.
LAVERGNE, L.	Kennebec	Arthabaska, Que.
LEGRIS, J. H.	Repentigny	Louiseville, Que.
L'ESPÉRANCE, D. O.	Gulf	Quebec.
LOUGHEED, Sir JAMES A., K.C.M.G., P.C.	Calgary	Calgary, Alta.
LYNCH-STAUNTON, G.	Hamilton	Hamilton, Ont.
MACDONELL, A. C.	Toronto, South	Toronto, Ont.
MCCALL, A.	Simcoe	Simcoe, Ont.
MCHUGH, G.	Victoria, O.	Lindsay, Ont.
MCLEAN, J.	Souris	Souris, P.E.I.
MCLENNAN, J. S.	Sydney	Sydney, N.S.
MCMEANS, L.	Winnipeg	Winnipeg, Man.
MCSWEENEY, P.	Northumberland	Moncton, N.B.
MICHENER, E.	Red Deer	Red Deer, Alta.
MILNE, J.	Hamilton	Hamilton, Ont.
MITCHELL, W.	Wellington	Drummondville, Que.
MONTPLAISIR, H.	Shawinigan	Three Rivers, Que.
MULHOLLAND, R. A.	Port Hope	Port Hope, Ont.
MURPHY, P. C.	Tignish	Tignish, P.E.
NICHOLLS, F.	Toronto	Toronto, Ont.

SENATORS OF CANADA

BY PROVINCES

NOVEMBER 10, 1919

ONTARIO—24

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	GEORGE McHUGH	Lindsay.
2	WILLIAM C. EDWARDS	Ottawa.
3	ROBERT BEITH	Bowmanville.
4	NAPOLEON A. BELCOURT, P.C.	Ottawa.
5	VALENTINE RATZ	New Hamburg.
6	GEORGE GORDON	North Bay.
7	ERNEST D. SMITH	Winona.
8	ALEXANDER McCALL	Simcoe.
9	JAMES J. DONNELLY	Pinkerton.
10	JOHN MILNE	Hamilton.
11	FREDERIC NICHOLLS	Toronto.
12	GEORGE LYNCH-STAUNTON	Hamilton.
13	GIDEON D. ROBERTSON, P.C.	Welland.
14	RICHARD BLAIN	Brampton.
15	JOHN HENRY FISHER	Paris.
16	ANGUS CLAUDE MACDONELL	Toronto.
17	RODERICK HAROLD CLIVE PRINGLE	Ottawa.
18	WILLIAM H. BENNETT	Midland.
19	JOHN WEBSTER	Brockville.
20	ROBERT A. MULHOLLAND	Port Hope.
21	MICHAEL J. O'BRIEN	Renfrew.
22	GERALD VERNER WHITE	Pembroke.
23	WILLIAM PROUDFOOT	Goderich.
24		

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
O'Brien, M. J.	Renfrew	Renfrew, Ont.
Planta, A. E.	Nanaimo	Nanaimo, B.C.
Poirier, P.	Acadie	Shediac, N.B.
Pope, R. H.	Bedford	Cookshire, Que.
Power, L. G., P.C.	Halifax	Halifax, N.S.
Prince, B.	Saskatchewan	Battleford, Sask.
Pringle, R H. C.	Cobourg	Ottawa, Ont.
Prowse, B. C.	Charlottetown	Charlottetown, P.E.I.
Proudfoot, W	Huron	Goderich, Ont.
Ratz, V.	North Middlesex	New Hamburg, Ont.
Robertson, G. D., P.C.	Welland	Welland, Ont.
Roche, W.	Halifax	Halifax, N.S.
Ross, J. H.	Regina	Moosejaw, Sask.
Ross, W. B.	Middleton	Middleton, N.S.
Schaffner, F. L.	Boissevain	Boissevain, Man.
Sharpe, W. H.	Manitou	Manitou, Man
Shatford, L. W.	Vancouver	Vancouver, B.C.
Smith, E. D.	Wentworth	Winona, Ont.
Talbot, P.	Lacombe	Lacombe, Alta.
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.
Thompson, F. P.	Fredericton	Fredericton, N.B.
Thorne, W. H.	St. John	St. John, N.B.
Todd, I. R.	Milltown	Milltown, N. B.
Turriff, J. G.	Assiniboia	Ottawa, Ont.
Watson, R.	Portage la Prairie	Portage la Prairie, Man
Webster, J.	Brockville	Brockville, Ont.
White, R S.	Inkerman	Montreal, Que.
White, G. V.	Pembroke	Pembroke, Ont.
Willoughby, W. B.	Moosejaw	Moosejaw, Sask.
Wilson, J. M.	Sorel	Montreal, Que.
Yeo, J.	East Prince	Port Hill, P.E.I.

QUEBEC—24

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

NOVA SCOTIA—10

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	Lawrence Geoffrey Power, P.C.	Halifax.
2	Edward M. Farrell	Liverpool.
3	William Roche	Halifax.
4	Nathaniel Curry	Amherst.
5	William B. Ross	Middleton.
6	Edward L. Girroir	Antigonish.
7	William Dennis	Halifax.
8	John S. McLennan	Sydney.
9	Adam B. Crosby	Halifax.
10	Charles E. Tanner	Pictou.

NEW BRUNSWICK—10

	The Honourable	
1	Pascal Poirier	Shediac.
2	George Gerald King	Chipman.
3	Peter McSweeney	Moncton.
4	Frederick P. Thompson	Fredericton.
5	James Domville, Lt.-Col.	Rothesay.
6	John W. Daniel	St. John.
7	William H. Thorne	St. John.
8	Thomas Jean Bourque	Richibucto.
9	George W. Fowler	Sussex.
10	Irving R. Todd	Milltown.

PRINCE EDWARD ISLAND—4

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

BRITISH COLUMBIA—6

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	Hewitt Bostock	Monte Creek.
2	Lytton Wilmot Shatford	Vancouver.
3	Albert E. Planta	Nanaimo.
4	George Henry Barnard	Victoria.
5	James Davis Taylor	New Westminster.
6		

MANITOBA—6

	The Honourable	
1	Robert Watson	Portage la Prairie.
2	William H. Sharpe	Manitou.
3	Lendrum McMeans	Winnipeg.
4	Aimé Bénard	Winnipeg.
5	Frederick L, Schaffner	Winnipeg.
6	George Henry Bradbury	Selkirk.

SASKATCHEWAN—6

	The Honourable	
1	James H. Ross	Regina.
2	James M. Douglas	Tantallon.
3	Benjamin Prince	Battleford.
4	Henry W. Laird	Regina.
5	Wellington B. Willoughby	Moosejaw.
6	John G. Turriff	Ottawa.

ALBERTA—6

	The Honourable	
1	Sir James Alexander Lougheed, K.C.M.G., P.C.	Calgary.
2	Peter Talbot	Lacombe.
3	L. George De Veber	Lethbridge.
4	Amédée E. Forget	Banff.
5	Edward Michener	Red Deer.
6	William James Harmer	Edmonton.

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE.

Monday, September 1, 1919.

The Senate met at 2.45 p.m.

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 the session of the Dominion Parliament on Monday, the 1st September, 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 on the Throne. The members of the Senate being assembled, His Excellency was pleased to command the attendance of the House of Commons, and, that House being come, His Excellency was pleased to open the Third Session of the Thirteenth Parliament of the Dominion of Canada with the following speech:

Honourable Gentlemen of the Senate:

Gentlemen of the House of Commons:

In this, his first visit to our Dominion, His Royal Highness the Prince of Wales at once renews happy associations with his comrades of the Canadian army, and at the same time undertakes the important duty of making himself acquainted at first hand with the resources and development of our country, and with the ideals and aspirations of our people. The warm and sincere welcome which everywhere greets him is an assurance that the ties which unite our country with the Motherland and the other dominions in a great community of nations were never closer or firmer than they are to-day.

The urgency of proceeding immediately to the consideration of the Treaty of Peace between the Allied and Associated Powers and Germany, signed at Versailles on the 28th day of June, 1919, has compelled me to summon you to renewed labours which I trust will not be of long duration.

My advisers are of the opinion that this treaty ought not to be ratified on behalf of Canada without the approval of Parliament. Authenticated copies will be placed before you without delay for your consideration.

In addition you will be asked to direct your attention to other measures, including those rendered immediately necessary by the approaching return of peace and by the terms of the Peace Treaty.

Honourable Gentlemen of the House of Commons:

Estimates will be laid before you making such financial provision as may be required in connection with the Peace Treaty and for other purposes.

Honourable Gentlemen of the Senate:

Gentlemen of the House of Commons:

For more than five years the world has endured the devastation and horror of war forced upon it by an intolerable spirit and purpose of aggression. Fortunately our country has been spared the desolation and ruin which have been inflicted upon many other nations; but our participation in the war has involved heavy burdens and vast sacrifices which our people have borne with an unflinching spirit. With reverent thankfulness we realize that the world emerges victorious from its long struggle against the forces of barbarous militarism and savage aggression. The labours of reconstruction may be difficult and even painful; and we must undertake them with the same united resolve and inflexible purpose as sustained our efforts during the years of conflict. To you and to the great nation whose affairs are committed to your charge, I bid God-speed in all your endeavours.

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

The sitting of the Senate was resumed.

CONSIDERATION OF HIS EXCELLENCY'S SPEECH.

On motion of Hon. Sir James Lougheed, it was ordered that the Speech of His Excellency the Governor General be taken into consideration to-morrow.

BILL PRO FORMA.

Hon. Sir JAMES LOUGHEED presented a Bill intituled, an Act relating to Railways.

The Bill was read the first time.

REVISED EDITION

THE TREATY OF PEACE.

NOTICE OF RESOLUTIONS.

Hon. Sir JAMES LOUGHEED: I beg to give notice of the following resolutions:

1. That it is expedient that Parliament do approve of the Treaty of Peace and the Protocol annexed thereto, which was signed at Versailles on the 28th day of June, 1919, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.

2. That it is expedient that Parliament do approve of the Treaty of Peace between the United States of America, the British Empire, France, Italy and Japan, and Poland, which was signed at Versailles on the 28th day of June, 1919, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.

3. That it is expedient that Parliament do approve of the agreement between the United States of America, Belgium, the British Empire and France, and Germany, with respect to the military occupation of the territories of the Rhine, signed at Versailles on the 28th day of June, 1919, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.

I give notice of these motions at the present moment on account of the desire of the French Government that the Treaty be ratified as soon as possible, and I may possibly take advantage of the notices which I have given, if the discussion on the Address in reply to the Speech from the Throne should occupy an unusual length of time. Should the Address be disposed of to-morrow, the resolutions regarding the Peace Treaty would of course follow.

Hon. Mr. BOSTOCK: Will action be taken in the form of a resolution or of a Bill?

Hon. Sir JAMES LOUGHEED: I omitted to say that, with a view of securing action by Parliament as quickly as possible, the resolutions will precede a Bill. It is desirable to have an expression of the Parliament of Canada upon the subject by way of resolution, owing to the delay which might occur in discussing a Bill; but the Bill, which will be introduced at the earliest possible moment, will be along the same lines as the resolutions.

I beg to lay upon the Table the following papers relating to the Peace Treaty:

1. Treaty of Peace between the Allied and Associated Powers and Germany, signed at Versailles, June 28, 1919.

2. Protocol supplementary to the Treaty of Peace, signed at Versailles, June 28, 1919.

3. Agreement between the United States of America, Belgium, the British Empire and France, and Germany, with regard to the military occupation of the territories of the Rhine, signed at Versailles, June 28, 1919.

4. Declaration by the Governments of the United States of America, Great Britain and France with regard to the occupation of the Rhine provinces, June 16, 1919.

5. Reply of the Allied and Associated Powers to the observations of the German delegation on the conditions of peace, June 16, 1919.

6. Treaty of Peace between the United States of America, the British Empire, France, Italy and Japan, and Poland, signed at Versailles, June 28, 1919.

I may say, honourable gentlemen, that the papers respecting the Peace Treaty have arrived only within the last couple of days. They are being distributed, and it has been arranged that each honourable gentleman will receive a copy of the Treaty as received by the Government of Canada. As to the French version, only one copy has been sent from France, but we are now endeavouring to get an equal number of French copies for distribution.

Hon. Mr. BOSTOCK: When may we expect to get copies of those documents?

Hon. Sir JAMES LOUGHEED: They will be distributed at once.

Hon. Mr. BELCOURT: The resolutions submitted to the House do not cover the special treaties between Great Britain and the United States and France? As I understand, there is a treaty between France and the United States, and there is a treaty between Great Britain and France—two separate documents.

Hon. Sir JAMES LOUGHEED: Apparently they are not included in these resolutions. Why I cannot say at the moment, but when the matter comes before us for consideration to-morrow I shall have the necessary information.

COMMITTEE ON ORDERS AND PRIVILEGES.

Hon. Sir JAMES LOUGHEED moved:

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

The motion was agreed to.

COMMITTEE OF SELECTION.

On motion of Hon. Sir James Lougheed, the following Senators were appointed a

Committee of Selection to nominate Senators to serve on the several Standing Committees during the present session: Hon. Messieurs Béique, Bostock, Belcourt, Daniel, Robertson, Tanner, Watson, Willoughby, and the mover.

The Senate adjourned until to-morrow at three o'clock, p.m.

THE SENATE.

Tuesday, September 2. 1919.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH.

ADDRESS IN REPLY.

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

Hon. FREDERIC NICHOLLS: Honourable gentlemen, in rising to move that a vote of thanks be presented to His Excellency the Governor General in reply to the Speech from the Throne, I want, first of all, to thank the honourable the leader of the Government for the honour accorded to me in selecting me to make this motion, particularly because I believe the present session of Parliament marks an epoch in the advancement of Canada to a dignified position among the great nations of the world. The fact that for the first time in the history of this country we have departed from the status of a colony and have entered upon the status of one of the great powers is evidenced by the fact that the Parliament of Canada has been called together to consider a treaty of peace and to ratify it if it so elects.

Another reason why I consider that this is a very important session is because we have recently been honoured by the visit of His Royal Highness the Prince of Wales who yesterday laid the corner stone of the tower of the new Parliament Building. In the Speech from the Throne His Excellency refers to this visit, saying:

> In this, his first visit to our Dominion, His Royal Highness the Prince of Wales at once renews happy associations with his comrades of the Canadian Army, and at the same time undertakes the important duty of making himself acquainted at first hand with the resources and development of our country, and with the ideals and aspirations of our people.

In 1860, fifty-nine years ago, Albert Edward, then Prince of Wales, laid the corner stone of the old Parliament Building, which a few years since was destroyed by fire. The Prince of Wales of that day afterwards ascended the Throne as His Majesty King Edward the Seventh, reigned wisely and well, was beloved by his people during his lifetime, and was sincerely mourned at his death. Yesterday we all attended a brilliant function when the corner stone of the new Parliament Building, which we hope soon to occupy, was laid by His Royal Highness the Prince of Wales. Many material changes have taken place in the destiny of the Dominion during the time that has intervened between these two important functions. But honourable gentlemen will agree with me when I say that no change whatever has taken place during that interval of fifty-nine years in the fervent loyalty of the Canadian people to the British Empire, to our King, and to the Royal family; and, honourable gentlemen, the manifestations of loyalty and affection which have been witnessed during the recent visit of His Royal Highness prove to my mind beyond all doubt that British connection is our chosen destiny.

His Royal Highness, while young in years, has played a man's part during the war, and notwithstanding his exalted station has served with distinction at the front; and, in my opinion, the fact that during part of that time he was attached to our Canadian army, and also the fact that since his arrival in Canada he has expressed the desire to be known as Canadian in sentiment, will render the occasion of his departure from our shores one of national regret; and that when the time comes to bid him Godspeed, all of us will echo in our hearts the words "Au revoir," and not "Good-bye."

There have been many material changes in the life of Canada since 1860; for seven years thereafter a nation was born, when the Act of Confederation was passed, which bound together the scattered provinces of British North America; and since that time so many changes, always for our betterment, have occurred that even the most optimistic of those virile and far-sighted statesmen who have since come to be known as the Fathers of Confederation could not have conceived of the important rôle Canada was destined to play during the lifetime of a single generation.

Honourable gentlemen, I have here an official copy of what I believe to be the greatest document the world has ever seen: a synopsis of the Treaty of Peace with Ger-

many, and the terms under which the League of Nations will be called together. Who would have dreamed at the time of Confederation, fifty-two years ago, that we to-day would have been called together to consider a document of such enormous portent? As this has only been recently distributed and cannot have been considered very fully by the majority of the members of this House, I will read the names of those countries which are banded together. The fact that this country is one of the signatory parties, and that our own Prime Minister sat at the Imperial councils of peace during the time this important document was being framed, should redound to our national credit and appeal to our national pride. The countries which I have mentioned are as follows: the United States of America, the Kingdom of Great Britain and Ireland, the Dominion of Canada, the Commonwealth of Australia, the Union of South Africa, the Dominion of New Zealand, India, the French Republic, the Kingdom of Italy, the Empire of Japan, the Kingdom of Belgium, the Republic of Bolivia, the Republic of Brazil, the Cuban Republic, the Republic of Ecuador, the Kingdom of Greece, the Republic of Guatemala, the Republic of Haiti, the Kingdom of Hedjez, the Republic of Honduras, the Republic of Liberia, the Republic of Nicaragua, the Republic of Panama, the Republic of Peru, the Kingdom of Rumania, the Czecho-Polish Republic, the Portuguese Republic, Slovakian Republic, the Republic of Uruguay.

These, honourable gentlemen, are the names of the different signatories to this Peace Treaty; and, while there may be some objections to it, it is a wonder to me that, when such vast questions had to be considered and decided in such a very short space of time, the objections were not more numerous than they have been found to be.

His Excellency also refers in his Speech to the necessity and the wisdom of considering the Peace Treaty at the earliest possible moment. In that, so far as I am personally concerned, I am in accord, for the reason that until the world is at peace and we settle down with an understanding of the terms under which we are to live in the future, it is impossible that production shall go forward, and it is impossible unless production goes forward that we shall be able to arrange to provide the wherewithal to carry on.

I have in my hands a copy of the New York Times of August 20th, which I think is a very valuable document to help us in considering the terms of the Peace Treaty. It contains a full stenographic report of a conference between the President of the United States and the Foreign Relations Committee of the Senate, at which he was questioned in regard to nearly every point of difference that had arisen in the discussion in the United States Congress. The President of the United States, in addressing the Conference, stated:

> I welcome the opportunity for a frank and full interchange of views.
>
> I hope, too, that this conference will serve to expedite your consideration of the Treaty of Peace. I beg that you will pardon and indulge me if I again urge that practically the whole task of bringing the country back to normal conditions of life and industry waits upon the decision of the Senate with regard to the terms of the peace.
>
> I venture thus again to urge my advice that the action of the Senate with regard to the Treaty be taken at the earliest practicable moment because the problems with which we are face to face in the readjustment in our national life are of the most pressing and critical character, will require for their proper solution the most intimate and disinterested co-operation of all parties and all interests and cannot be postponed without manifest peril to our people and to all the national advantages we hold most dear.

In these sentences I think the importance of expedition is exemplified most thoroughly.

In an editorial in the same paper on the same date, the following appears, under the heading of "War when there is no war":

> The President's conference with the members of the Senate Foreign Relations Committee should send the Treaty unchallenged to immediate ratification. In the address with which he opened the conference, Mr. Wilson appealed to the understanding, the candour, the fairness, the patriotism, and the judgment of the senators. He pointed out to them that our present condition is that of being at "war when there is no war;" he laid before them clearly the need of the country's industry for settled peace; he pointed out the grave risks we run by further postponement of peace of losing our present advantage in international trade; labour will be in a turmoil, and there can be no stable conditions of employment until we know what the final settlement will be; the future of Europe will remain uncertain, and there can be no return to normal conditions of life in this country until the war has been ended by the acceptance of this compact.

Honourable gentlemen, it would be unwise, and it would be in bad taste, for me or any other member of this honourable House to discuss or criticise the proceedings of our neighbours to the south in regard to the Peace Treaty; but we may hope that, whatever conclusion is arrived at after full

and fair discussion, it will end in a settlement that will unite the Anglo-Saxon nations in a peace that we can feel is going to be permanent and will make for the betterment of the world, and that the League of Nations may become the very citadel of peace and good will among mankind.

Sir Robert Borden, as soon as he arrived in England, after the signing of the armistice, stated:

> The problems that lie before our country, in common with other Britannic nations, are quite as momentous as those which we faced during the war, and I believe even more difficult. Our people will face them with the same courage, resolve, and confidence as sustained them during the weary years of war.

Honourable gentlemen, I think we have already shown that this country has been prepared and is prepared to face all problems, and that we intend to be true to ourselves and to deal fairly with every section of the community. During last session, since the armistice was proclaimed, many legislative enactments have been passed, to some of which I may refer; for instance, the Pensions Act amendment, which provides that the pensions granted by Canada shall rank highest amongst those of the nations who fought during the war; the War Service Gratuity Act, which provides a generous gratuity according to length of service; the Soldiers' Land Settlement Act, which makes provision for extending financial aid to soldiers who desire to settle upon the land; the creation of the Department of Soldiers' Civil Re-establisment, which is entrusted with the care of the returned soldier from the time he is discharged until he is re-established in civil life; the creation of the Board of Commerce for the investigation and restraint of monopolies and undue enhancement of the prices of commodities; and many other enactments of greater or lesser importance.

We have given evidence during the war, and since the war, in many ways, of our ability to shoulder the burden when our own integrity and the integrity of the empire were at stake. We all know that the Government has borrowed from our own people, in round figures, a billion and a half of dollars; but notwithstanding this fact we have taken home to ourselves the motto of Lloyd George: "Save and serve." The savings in our chartered banks have increased to one and three-quarter billions of dollars. Our farmers have obeyed the injunction, "Save and serve," and, according to the latest figures which I have, which are merely approximate, the total wheat yield of the Dominion for the current year will be about 230,000,000 bushels, valued at about $500,000,000.

Our balance of trade still runs in our favour, and some of you may be astonished to learn that during the last fiscal year our exports per capita amounted to $195, as against $70 for the United States and $55 for Great Britain. We are being accused of extravagance, and perhaps with more or less justification; but, honourable gentlemen, the State is like an individual: unless we have confidence in ourselves, we shall not be able to carry on our government and at the same time take care of the requirements of our people. And at this time it is, I think, just as well to pay attention, not to our disadvantages, but to our great advantages and to the wonderful resources which we have within ourselves and which the will of our people will see developed in proper time.

Parliament has assembled in special session, as I stated before, to consider what in my judgment is the greatest document that has ever been produced since the world began—the Treaty of Peace. There are a great many advantages in it, with possibly some disadvantages; but we must consider that if we are going to enter into an undertaking which is for the purpose of assuring us eternal peace, we cannot assure this to ourselves without assuming some responsibilities. I believe, honourable gentlemen, that after this Treaty of Peace has been discussed and ratified, after this Parliament has prorogued and we settle down to attend to all our material affairs, which have been neglected during the stress of war, we shall find that Canada will advance much more rapidly in the future than it has advanced in the past. We in Canada are not looking for any monetary recompense as a result of the war; but we have done something for the sake of freedom and humanity.

A very brief perusal of the terms of the Treaty of Peace, and of other literature that I have been able to gather together, leads me to disagree with those who think that the terms of peace are severe against Germany. One should remember that Germany has not been devastated. Her factories are all intact, not ravaged like those of France and Belgium, which it will take many years to reconstruct in order that they may compete with the other nations of the world. But, serious as those terms may be, we in this House shall have to give them consideration, and I have jotted down

a few of the most important to which we should pay attention.

At least for a period, the aggressive power of Germany is destroyed. Of her huge army of approximately four million men, which she held as a threat over the world in 1914, only a remnant of 100,000 is permitted to her. The second navy in the world is reduced to a total personnel of 15,000. No military or naval air forces are permitted. Thus on land and sea and in the sky her real might is broken, and in that breaking lies the chief immediate guarantee of peace. She has lost her colonies, covering one and a half million square miles and has been deprived of territory on her borders equal in size and wealth to Scotland and Wales. She has been forced to recognize the full sovereignty of Belgium over the contested territory of Moresnet. She has renounced her government of the territory comprising all the rich Saar basin in favour of the League of Nations, and has ceded in full to France its coal mines, as defined in Article 45 of the Treaty. In fifteen years the inhabitants of this territory are to exercise the right of self-determination and to select the sovereignty under which they desire to be placed. Farther south, Alsace and Lorraine are restored to France and the French eastern frontier runs again as it did before 1870. The character of the Rhine as a natural boundary is emphasized by the stipulation that east of the river Germany must not maintain or construct any fortifications at a distance of less than 50 kilometres from the right bank; and, as a guarantee of the execution of the treaty, German territory west of the Rhine, together with the Rhine bridge-heads, will remain in allied occupation for fifteen years, with certain exceptions, subject to the faithful performance of Germany's treaty obligations.

So much for the West. In the East there are radical changes. Poland has a new western boundary. All that remains of Prussia on her eastern marches is the northern fringe of West Prussia and Posen, together with the northern half of the old province of East Prussia. In the southern half of East Prussia the inhabitants are to decide by vote to which state they will belong. Similarly, in a specified area in West Prussia, east of the Vistula, the choice between East Prussia and Poland will be decided by the self-determination of the inhabitants. Danzig is a free city, and the inhabitants of a certain portion of upper Silesia are to decide by vote between Germany and Poland. It will thus be seen that the principle of self-determination is prominent in the peace settlement.

This summary gives some indications of the many problems involved in reaching an agreement covering such vast interests as those which are at stake, and the wonder is that greater dissensions have not occurred.

The credit of Canada to-day is probably as high as that of any nation in the world. Our banks during the whole time of the war have acted as bulwarks of the country. As I have stated, we have immense natural resources, and therefore I repeat that, dating the future of Canada from this present session of Parliament, we commence a new era. We probably cannot foresee, any more than the Fathers of Confederation foresaw, the tremendous strides which we may hope to make, say during the next half century. Hope has always been the spur to achievement and the key to accomplishment. Let us all hope that in the future Canada will not only continue to progress, but will do nothing to mar the honourable and dignified position that she occupies to-day.

Honourable gentlemen, in conclusion, I beg to move:

That an Address be presented to His Excellency the Governor General in the following words:

May it Please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the House of Commons 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. G. W. FOWLER: Honourable gentlemen, the seconder of an Address is always to a considerable extent handicapped by the fact that he is preceded by the best speaker in sight for the purpose of moving it, and I am very much handicapped on this occasion by the eloquent address which the honourable member for Toronto (Hon. Mr. Nicholls) has made.

This is, as he has said, a very great occasion. Two reasons make it such; one is the visit of His Royal Highness the Prince of Wales who for the first time has set foot on Canadian soil; the other is that we are taking into consideration the Treaty of Peace, the culmination of the greatest war of all the centuries. These two events mark this session of Parliament as a very important one. They mark this particular occasion as a very important occasion, and I feel my shortcomings in attempting to second the Address.

We have been very glad to welcome His Royal Highness, Edward, Prince of Wales, to Canada. It is not the first time he has

been associated with Canadians. Part of his war service—a war service which was very creditable to him—was spent with the Canadians. Unlike his cousins the Hohenzollerns, he did not command an army corps or an army, but he began at the lowest rung of the ladder—began as a lieutenant,—and did service in the trenches—as other lieutenants and other men from Canada did—service which daily risked his life: again unlike his cousins the Hohenzollerns, who took particular care of their more or less unworthy lives.

The Prince has come to this country; he has only been in a portion of it as yet; but wherever he has gone he has made for himself friends. He might truly say, in the words of a great soldier of old, "I came, I saw, I conquered." I question if there is a constituency in Canada, or in that portion of Canada at least through which he has travelled, that would not elect him by acclamation to-morrow as their representative. I know I would not want to run against him in any constituency; I feel that I should be disastrously beaten. It is a splendid thing to feel that the future, if this young man lives, is assured, and that we shall have upon the Throne of this Empire so worthy a successor to a great line of monarchs, with some few exceptions. In many respects he is like his grandfather, the great peacemaker, whose statesmanship, we know, was largely responsible for the splendid position which we occupied in this war, largely responsible for the splendid feeling that existed between France and England when the war broke out.

The Treaty of Peace is before this House. It is a voluminous document, and necessarily so. There has been a great deal of criticism about the time occupied by the plenipotentiaries at Versailles in making this Treaty of Peace, but it seems to me that it is foolish criticism. We have had four years and a half of the greatest war the world has ever seen, and if people will look back into history they will find that the settlement of other great wars which were insignificant when compared with this, and when the matters to be considered were not nearly so far-reaching, occupied a very much longer time than this settlement has occupied. But we are an impatient people and we think everything should be done in a day or so. I think that the men who met at Versailles to settle these great questions were of the very highest type and that they have done their work splendidly.

There has been criticism as well that Germany was getting off altogether too lightly. Let any man examine that treaty and I do not think he will come to that conclusion. Germany deserved the utmost punishment, but if she was to pay the indemnities that were required, she could not be altogether crushed; it was necessary that she should have some leeway, in order that her people might go to work and earn the money to pay for the devastation they had wrought. Every precaution, it seems to me, has been taken in the terms of the treaty that Germany shall not rise again, at any rate not for a half century —and by that time we shall all be dead.

Hon. Mr. BRADBURY: No, no.

Hon. Mr. FOWLER: I think everybody in this House will be. If he is not dead before then, he ought to be.

Hon. Mr. DOMVILLE: We never die.

Hon. Mr. FOWLER: However, it was the duty of those charged with the settlement of this affair to take care that posterity should be protected, and I think they have taken care of that. I had only a short time to look over the Treaty. Last night I received my copy of it, and before I went to bed I looked it over. I was struck particularly with the reply that was made by the Allied Conference to Count Brockdorff-Rantzau, the German spokesman, who objected to certain items in the Treaty. I wish that every member of this House would read carefully and study that reply. It is a magnificent state document, certainly the most magnificent that I have ever seen, and, I think, the most magnificent ever penned. No man reading that would come to the conclusion that Germany had got away lightly. I think the conditions are as nearly proper and correct as they can be made, but to my mind the great difficulty will be in having those conditions carried out.

Provision has been made for a League of Nations to enforce the conditions laid upon Germany as a result of her defeat in the war. If this League of Nations does its duty there will be no more difficulty with Germany; if the men who constitute the executive of the League of Nations enforce the conditions that have been laid down in the terms of peace, there will be no chance for Germany ever to commit the world to a great war again; it will be absolutely impossible for her to raise her head in an aggressive war in the future. The machinery has been provided, but it is human

machinery, and the result depends upon whether or not the provisions are properly carried out.

We are, I think, entitled to congratulate ourselves upon the terms of the Treaty of Peace signed at Versailles between the Allied powers and the enemy powers of Central Europe. We in this country did our duty during the war; I do not think we did any more than our duty, because it was the duty of every self-respecting country to do all that it could to put an end to the war and to obtain guarantees that there should be no more wars of the sort through which we have just passed. Canada has incurred tremendous financial responsibilities in connection with the war. As the honourable gentleman from Toronto (Hon. Mr. Nicholls) has already said, we borrowed about a billion and a half of money; and we will have to borrow a good many hundreds of millions more before we will have paid for the war. To my mind it is necessary that economy should be practised in this country. I deplore the extravagance that we see on every hand. We will have to practise economy in order that we may recover from the tremendous burden—for it is a tremendous burden—that we are carrying; we have not felt it yet, but we will. I am no alarmist, but at the same time I believe in sounding the true note; and to my mind the proper note for the public men of this country to sound is the note of economy. It should begin with the Government of the country; they should make no expenditures of public money that are not absolutely necessary. If they set an example of economy the people will be apt to follow. On the other hand, if they set an example of extravagance and wasteful expenditure the people will naturally follow, and the extravagances that we see will continue.

This is a time for wise statesmanship. We have wonderful resources in this country; there is no young country that has resources equal to those of Canada; they are tremendous; but these resources are of no benefit, of no value, if they are not developed. Wise statesmanship is necessary to develop the resources of the country so that the burden of debt will not be felt. If our business men realize their duty and take hold of matters properly and develop the resources of the country, and go on with confidence in the way mentioned by my honourable friend from Toronto, the future is bright with promise. On the other hand, if the business men are not alive to the situation, if the Government continues spending money, thinking in millions and hundreds of millions where we used to think in thousands, the future is clouded with darkness. That is my opinion, and I think it is the opinion of a great many of the people of this country. I trust, whatever party may be in power, that the statesmen who control the destiny of this country in the future will be guided by these principles; then the country will recover from the tremendous burden of taxation which now lies upon it.

Some legislation has been enacted with regard to the high cost of living. That is good legislation. We see many anomalies in connection with the cost of living which might be wiped out, and which, I trust, will be wiped out by the Board of Commerce.

I do not purpose making any extended remarks. I thank you for your patience in listening to me, and take pleasure in seconding the motion.

Hon. HEWITT BOSTOCK: Honourable gentlemen, I wish to congratulate the mover and the seconded of Address on the able way in which they have spoken, and to join myself with them in the very apt remarks which they have made concerning the visit of His Royal Highness the Prince of Wales. Most of us were present yesterday at the laying of the corner stone of the Victory Tower, and had an opportunity while there of hearing His Royal Highness address the people of Canada in a way that I am sure impressed everybody who had the honour and pleasure of hearing him. We look forward to seeing him take his place at the head of the affairs of the Empire, and I am sure he will be one of the most popular monarchs that have ever occupied that position. I am sure that in his trip to the Pacific coast he will repeat the impression he has made in the East, and that the reception which he has received from the people of the East will be duplicated there, or, if possible, surpassed. If I might venture one remark, I would say that I rather think those who are responsible for his trip are in danger of asking him to do too much; I think it is not advisable to ask any one to overwork himself in meeting people, which, as every one who has had experience must know, is a very difficult and trying task. Speaking for the West, I am sure the people there will welcome him with great enthusiasm.

I regret that I was not able to be present as soon as I should have liked, to take part in the functions here. The enormous

size of this country and the distances that one has to travel, unfortunately sometimes make it impossible to be where one would wish to be.

In the Speech from the Throne we are asked to deal with the Treaty of Peace between the Allied and Associated Powers and Germany, signed at Versailles on June 28, 1919. The mover and the seconder of the Address have spoken in very favourable terms of the arrangement that has been made under this Treaty. The Treaty is a very complicated one, and there is no doubt that the work to be performed by the representatives of the various countries was very onerous and troublesome. This is not only a treaty of peace with Germany, but also includes the Treaty of the League of Nations. That part of the Treaty is probably the most important to us in Canada, because it deals with the position of Canada amongst the countries of the world

When the war commenced the people of Canada were of one mind in their desire to do all they could to assist Great Britain in the fight that she was making for liberty and freedom against German barbarism and militarism. We went into the war voluntarily; there was no compulsion; and we went into it to the fullest extent within our power. But under this Treaty we are asked to bind ourselves to a certain course of action. Unfortunately I am now speaking before the representative of the Government in this House has spoken; and so far we have not had any explanation of the position of Canada under the terms of the Treaty of the League of Nations. The impression exists in the minds of a large number of people that we are assembled here to-day for the purpose of approving of this Treaty; some people have said to me that we were meeting for the purpose of ratifying it. I should like to read to the House the words used by Mr. Lloyd George in the English House of Commons when he was asking for the approval of that House to the Treaty. At the commencement of his speech he said:

> I have to lay on the table of the House, and to ask the leave of the House, to introduce two Bills to enforce the most momentous document to which the British Empire has ever affixed its seal. There are two Bills which I shall have to ask the leave of the House to introduce. It is unnecessary to obtain the ratification of Parliament to a treaty, except in one or two particulars. The ratification is for the Crown, but there are certain provisions in the Treaty of Peace, signed last Saturday, which it is necessary to obtain an Act of Parliament in order to enforce. Therefore I propose to ask leave to introduce a Bill in the usual form to enable His Majesty to make such appointments, establish such offices, make such Orders in Council and do such things as appear to him to be necessary for carrying out the said Treaty, and for giving effect to any of the provisions of the said Treaty. That is the usual form, I believe, in which measures of this kind have hitherto been couched. It is also necessary to have an Act of Parliament in order to obtain the sanction of Parliament to the Convention between His Majesty and the President of the French Republic.

That makes it very clear that all we are asked to do is to approve of the Treaty; that the ratification is in the hands of the Crown, and that the Crown alone can ratify it for the whole of the British Empire. Therefore we have to consider our position under the Treaty of the League of Nations.

Canada is a member of the Assembly, and as such will have one vote in the Assembly. The Council of the League of Nations will consist of representatives of the five principal Allied and Associated Powers, as mentioned in the treaty, and representatives of four other Powers which at the present time have been named—Belgium, Brazil, Spain, and Greece. Those nine representatives will form the Council of the League of Nations; and the only way by which Canada could be directly represented in the Council of the League of Nations would be if the Assembly, consisting of twenty-seven members besides the five principal Allied and Associated Powers, were to elect a representative of Canada as a member of the Council. In my opinion, the chances of that happening are somewhat remote, because the natural feeling of the other members of the League of Nations would be that, inasmuch as the British Empire was represented at the Council, Canada or the other members of the League of Nations who are part of the British Empire would be over-represented if they were to have a representative on the Council. That being so, we shall probably be put in the position of being a member of the Assembly, but shall have a very remote chance of having a representative on the Council, which will be responsible for directing the policy of the League of Nations. Once we have approved of this Treaty of the League of Nations we shall be bound by the terms of the Treaty to provide our quota in case it becomes necessary for the League of Nations to enforce its orders or resolutions upon any of the members of the League, or upon other countries who are not members of the League. As I understand the Treaty, it will be decided as to exactly what quota Canada and the other nations are to provide.

Hon. Mr. DAVID: In men and money.

Hon. Mr. BOSTOCK: In men, in money, in ships, and in other ways. As far as I understand at the present time, we would have been in a stronger position if Canada had not been made a party to this League of Nations further than she would be as a part of the British Empire. We would then have been able to come forward voluntarily and take our stand at any time when the necessity arose, exactly as we did in August, 1914. We would be free to put forward our greatest efforts as we felt inclined. I think that if we came down to considering the question of the exact quota that we should be called upon to put forward as our share in enforcing the Treaty we should find that it would be very much less than what we felt was our share and what we actually have done in helping the Mother Country and her Allies to carry on the war and see it brought to a successful conclusion.

I do not purpose discussing this matter any further at the present time, honourable gentlemen, because I think we all want to hear from the Government their interpretation of the position which we are going to be asked to occupy in regard to this Treaty of the League of Nations. We shall have, I understand, a full opportunity of discussing those questions in connection with the resolutions which have been proposed by the honourable leader of the Government.

With regard to the other matters dealt with in the Speech from the Throne, I notice that we are to be asked to make financial provision in connection with the Peace Treaty and also for other purposes. I was pleased to hear the seconder of the Address urge upon the Government the necessity of economy in its administration. We voted last year a very large sum of money for the purpose of carrying on the affairs of this country. Many of us felt that great extravagance was shown in the estimates which were placed before Parliament, and that they might have been considerably reduced. Now, if the money to be voted for other purposes, as stated in the Speech from the Throne, is a very large amount, I think it will be very regrettable that we should be called upon to vote the additional sum, unless there are strong reasons for our doing so. We are called together for this session for the special purpose of giving consideration to the Treaty, and we should not be called upon to supplement the estimates passed by Parliament at last session, which covered the whole of the current year and amounted to a very considerable sum. We are to-day faced with the necessity of raising a large amount by way of loan. Yesterday the Victory Loan was practically inaugurated, when His Royal Highness unfurled the flag at the Parliament buildings. We all hope that the Government will be successful in raising the money that they require and, according to the figures given here to-day, they are probably justified in the expectation that they will be able to get all they want in that way. At the same time, not only the Government, but every person in the country who thinks about these matters at all, must realize that the strictest economy is necessary in both public and private affairs, and that we have to develop the natural resources of the country as much as possible in order to be able to bear the heavy burdens that have been placed upon us by this war. I am sure it is the desire of the people throughout this country to make the most earnest efforts in helping to retrieve the obligations which the war has placed upon us.

In conclusion, I would say that we hope to do everything in our power in a united way in the future, as we have done in the past in connection with the war, in helping to carry on the affairs of the country in the best possible manner.

Hon. L. O. DAVID: Will the honourable leader of the House allow me to ask him a question? I would like to know why there was nobody this year to move or second the Address in French. That is contrary to an old custom which has always been followed. Is it because there is nobody on the other side who is able to speak French, or is it because nobody consented to move or second the Address in French?

Hon. Sir JAMES LOUGHEED: My honourable friend from Mille Iles has always been facetious in this House, and we welcome his sense of humour particularly on this occasion. I may remind my honourable friend that the Address last session was moved by the most recent appointee from Quebec. I am unaware of any appointment from Quebec having been made since that time. If a new member had been appointed from that province, I am sure the Government would have been most pleased to invite such a member to move or second the Address. Had I made such a request to some of my French Canadian friends to the left of the Speaker, they might not perhaps have responded with the alacrity which I desired. Consequently I selected the two most available men on this side of the House.

Honourable gentlemen, I join with my honourable friend the leader of the Oppo-

sition (Hon. Mr. Bostock) in congratulating most heartily the mover and the seconder of the Address. My honourable friend the mover of the Address has long been known in the commercial and industrial life of Canada as one of the great captains of industry and as one of the most representative men in this Dominion in large affairs. Likewise, my honourable friend the seconder of the Address is a man of very great prominence in public life. He was for many years a member of the House of Commons and occupied a distinguished position in that Chamber. We in this Chamber are fortunate and may congratulate ourselves that gentlemen of this class are members of the Senate and bring to its deliberations the knowledge, experience, ability, and judgment which they possess.

During the five sessions of Parliament preceding the present year, it was our public and unavoidable duty to deal with questions having to do with the carrying on of the greatest war in history, and one in which Canada was engaged to an unprecedented extent. During that period all the resources of Canada were enlisted in the responsibilities which we had assumed. In addition to this, our people were at the highest tension of nervous strain in the efforts which they had undertaken, and in their anxiety concerning the war, which in itself was overwhelming. It was, therefore, with great relief that during the session preceding the present one, by reason of the armistice of November last, we could look forward to the negotiations for peace which were then being considered, knowing they would terminate satisfactorily at a reasonably early day. Since the last session of Parliament the Peace Conference, representing the Allied Nations of the war, succeeded in determining upon conditions of peace which have necessarily to be ratified by the different nations concerned.

The Treaty of Peace with Germany has not only been accepted by Germany, but has been ratified by the British Parliament, and will during the present session come before us for our ratification. In view of this Treaty being submitted by the Government at an early day, it would be unwise for me at the present time to enter upon any discussion of the conditions and details embodied in that Treaty. Suffice it to say that we can repeat the language used in the Speech from the Throne that "with reverent thankfulness we realize that the world emerges victorious from its long struggle against the forces of barbarous militarism and savage aggression."

The period that has passed since the armistice was signed, and covered by the deliberations of the Peace Conference, has been marked with an unrest of the masses throughout the civilized world. This, in itself, was the natural outcome of the war. It was impossible for a convulsion of the civilized forces of the world to take place during the five long years of that war without bringing about a disturbance of the normal conditions of life. The many millions of men that were compelled to leave the ordinary channels of industrial life, and to participate in the conflagration by which the whole of the civilized world was aflame, naturally brought about the greatest revolution that the world has ever seen from what had been the normal conditions of human life. The concentration of those millions of men in equipping themselves for the work of destruction and devastation of life and property, which almost without interruption was carried on for five long years, could not fail to bring about conditions of disturbance and revolution such as marked the period of at least six months after the termination of the war.

When we consider the millions of lives lost, the destruction of property, the devastation of national resources and wealth, the creation of an almost inconceivable debt, and the diversion of human energies from the ordinary channels of life, we are more than surprised that this disturbance of which we speak has not assumed proportions more overwhelmingly destructive than have been reached. The aftermath of a great war is usually fraught with more serious thought and anxiety than existed during the carrying on of the war; but in the case of a war like the world's great war which has just closed, by which the world of civilization was set ablaze and almost destroyed, we may well congratulate ourselves that we see within reach before us a settlement of conditions by which we may soon hope to reach those normal conditions that mark the reign of peace.

We in Canada are just beginning to realize, now that the smoke of battle has cleared away and the noise and tumult of war have ceased, that the resourcefulness, the energy, the enterprise, and the determination which permitted of our making such a marvellous contribution to the defence of the Empire in the late war, shall be enlisted and extended in our entering upon and grappling successfully with the many problems of reconstruction which have grown out of the war.

When Parliament last met we had not seriously entered upon the demobilization and return to Canada of the forces which we sent to the front. This was a problem which gave us serious thought, and which at that time was thought would cover a period of a year and a half. We have been successful in practically completing demobilization in half the period which was anticipated. It was thought by the whole of Canada that upon the return of our large forces, and particularly at a time when employment conditions were unfavourable, there would be multitudes of men who had returned seeking employment unsuccessfully. Not only the Government, but the public and the press, were more than apprehensive of those conditions assuming serious proportions. Happily our apprehensions have not been realized. While to-day demobilization has practically been completed, there has been a return to civil life without unemployment being seriously felt of the several hundred thousand men who have returned from Europe, together with their families and dependents. There has been an absorption by the general public of these great masses, and our normal conditions of life in Canada are rapidly being resumed, notwithstanding the disturbance in our civil life brought about by war conditions. The absorption of this great mass of returned Canadians from Europe is a matter of profound satisfaction not only to the Government but to the people of Canada. It speaks in the highest terms not only of the industry and resourcefulness of those who have returned, but of their conception of citizenship by which they realize their duty to themselves and to the State. It is this same conception of citizenship that will prove Canada's greatest asset in again returning to those channels of peaceful development which marked our history before the war. The enlistment of all those national traits by which we were equal to responding to our duties to the Empire will re-establish Canada on a firmer and more permanent basis in the eyes of civilization than she otherwise would have assumed. Canada, therefore, should have no feeling of pessimism in facing the responsibilities of the future. That same ability by which she demonstrated to the whole world her energy and enterprise during the war will from now on assist her national progress and prosperity to a degree not hitherto anticipated.

It is with great satisfaction that we note in the Speech from the Throne reference to the visit of His Royal Highness the Prince of Wales to Canada at this notable time. The demonstrations of loyalty and enthusiasm which have marked his visit wherever he has gone throughout Canada manifest in the most unspeakable way the attachment of this Dominion to the great Empire to which we belong. There is even more in the demonstrations to which I have referred than those of loyalty and attachment to the Crown. It is the admiration which His Royal Highness, by his captivating presence and personality, has evoked throughout the whole of this Dominion. The Imperial House to which he belongs, and of which he is the heir to the Throne, is peculiarly fortunate, as well as the Empire itself, in having as their future King one of the most captivating personalities that has ever graced the Throne to which he is heir. Now the people of Canada have seen and met His Royal Highness, they will feel a deeper personal attachment to that Throne by reason of the personal knowledge which they have thus secured.

As foreshadowed by the Speech from the Throne, the Treaty of Peace will come before us for ratification at an early day. We then will have an opportunity of discussing its various features; with these we are all more or less familiar, but to enter upon a discussion of them at this time would be somewhat premature.

The submission of this Treaty for ratification by Canada may be said to indicate progress in our constitutional growth. For even a great number of years after Confederation, and after we had entered upon our system of government under the British North America Act, we were willing to accede to the negotiation and ratification of all treaties by the Imperial authorities. Gradually Canada demanded recognition in the negotiation of those treaties, which was conceded without hesitation by the British Government. The negotiation of the present Treaty, which this session we are called upon to ratify, marks a more definite and progressive step as to the exercise of the treaty-making power by Canada than we have heretofore entered upon.

Canada entered upon this war of her own free will, recognizing as clearly as did Great Britain herself that the defence of the Empire was a duty which fell upon all its parts. It was not alone from a sense of constitutional obligation that Canada entered this war, but equally on account of its spontaneous loyalty and patriotism to the Empire. No part of this Great Empire, including Great Britain herself, entered

more enthusiastically upon the enormous obligations which were assumed than the Dominion of Canada. When, therefore, the question of negotiating a Treaty of Peace became apparent, Great Britain logically had to acknowledge Canada as much a sovereign state in pronouncing upon the terms of peace as if she had not been part and parcel of the Empire.

In a word, this Empire is made up of a Commonwealth of States, all possessed of sovereign power in their internal government. It would be a mistake for Canada to recognize the part which has been given her in the negotiations of the Peace Treaty as a concession in any way. To withhold that recognition from Canada would endanger the continuance of the relations between herself and the Empire. Great Britain has long recognized the status that the Overseas Dominions must necessarily exercise in this Commonwealth of Nations. To refuse recognition of sovereign rights to whatever extent the Dominion itself may ask, would be to threaten the continuance of those relations which to-day so happily exist between the Mother Country and the Overseas Dominions. It is therefore, from deference to this sentiment and principle that Great Britain must always recognize that this Empire can only be maintained and strengthened as a Commonwealth of Sovereign States linked together for the one common purpose of Imperial strength, unity and defence.

It is a matter of profound satisfaction, notwithstanding the grave apprehension which we at one time may have had as to the outcome of this war, that at its termination in November last the Allies were placed in a position to dictate and enforce a peace without consultation with the enemy. So overwhelming was the defeat of the enemy by the Allies that the most serious consideration by the Allies of all peace conditions was the question of the ability of the enemy to meet the conditions that would be imposed. The termination of the war to the different belligerent countries was fraught with more serious and disastrous results than the most sanguine expectation of the Allies could have foreseen.

Since those notable days in November last, when the knowledge of defeat swept over the enemy countries, they have been rocked with national disaster and revolution. Thrones that existed for centuries, dynastic powers that dictated to Europe and civilization what the course of nations should be, have since been destroyed and have vanished into oblivion with the many dynastic autocracies that for centuries preceded them. It is, therefore, a matter of the most profound gratification that the autocracies of Central Europe which for centuries made war upon civilization to build up their own tyrannical powers, at the expense of freedom and democracy, have been swept away by the storm of human passions which they themselves had set in motion for their own aggrandizement. Although in Central Europe and in Russia we behold to-day more or less of a revolutionary spirit in the ascendancy, and forces that are more or less destructive of the civilization which it took centuries to establish, yet it may be said with every assurance that Europe is about to welcome the reign of democracy.

Civilization, when it looks on the battlefields of the last five years and counts the lives and the devastation which this war has cost, will consider that there is this compensation at least, that upon this foundation there will be built up a world-wide democracy, a more enlightened freedom, and a better civilization than the world has hitherto known.

Hon. JAMES DOMVILLE: Honourable gentlemen, I follow the suit of the mover and the seconder of the Address. It is natural that they should take the course they did, and they did it well. I have no fault to find even with my honourable friend the leader of the House. This is an occasion when many things have to be considered and a snapshot verdict given.

The leader of the Government called attention to the development of the industries of the country. We might ask why they were not developed before. Is this a deathbed repentance? The seconder of the Address was quite in place when he sacrificed somewhat his allegiance to his party, and spoke of reckless extravagance, and said that it should be cut down. He showed a good spirit, a spirit of independence; and he was congratulated by the leader of the House for that speech.

It is a little sarcastic to ask any one now to discuss this Treaty or form any opinion upon it. I received my copy only half an hour ago, and in that short time I could not go through what paralyzed all our statesmen here and paralyzed Europe. It requires consideration. I am not saying anything as to the details, because I do not know what they are.

The obligations of the past have been spoken of. Very well, we know what they are. The obligations of the future we do not

know, and I think that when you talk of our going into future obligations, not only this House, but all the country should have some idea of where they are to commence and where they are to end.

In assuming responsibilities in connection with the masterpiece, if you choose to call it so, of an alliance with the world at large, we are entering upon very dangerous ground. We are not here to answer for the whole country. The opinions entertained here, on this side of the House or on that, are not going to lead every man, woman and child in this country. They will say, "You should have consulted us." I think the country should have been consulted long ago. Several seats are vacant. The constituencies had no chance of saying anything. "The League of Nations" sounds well. In my short period in life we have seen many things come and go. It is so easy to talk. My honourable friend remembers when I was on the platform with him advocating prohibition. Well, it did not come to pass, although we were together there.

Hon. Mr. FOWLER: The honourable gentleman has a very peculiar memory: he remembers everything he wants to remember. I do not remember ever advocating prohibition with him. I never knew he was an advocate of it.

Hon. Mr. DOMVILLE: I wish my honourable friend had a good memory, because it might serve in many instances.

You may remember the story of the visitor going through a picture gallery and seeing there a painting of a lion being killed by a man. "It is all right," he said, "but if I had painted the picture I would have painted the lion killing the man, not the man killing the lion." There are so many ways of looking at this thing. Those are good speeches; they sound well; they read well; they are published, and next day the speakers will have their photographs in the newspapers, and all that. It is part of the game. An honourable gentleman said to me one time here that the game had to be played and I did not seem to play it. I do not think I did.

We ought to have some sympathy for struggling Ireland. No sympathy for Ireland is expressed in the Speech.

Hon. Mr. CLORAN: No.

Hon. Mr. DOMVILLE: I should have thought that in the speech by the honourable leader of the Government the hope would have been expressed that in the future Ireland would assume a better position, be she right or wrong; that her conditions might have so changed that Ireland might come into that body happy and peaceful, sharing in the compact. The honourable gentleman referred to the conditions existing throughout the world, but said not a word about that.

Again I was disappointed. I am speaking perhaps to many honourable gentlemen in this House who feel as I do. There was not a word of sympathy with the widows, the orphans, the mothers, and the fathers of those who sacrificed their lives in fighting for their country. While we are praising treaties, while we are praising our own actions—how we behaved and what we did—we have not one word of sympathy for the many who have suffered in the performance of their duty. While speaking of treaties, would it not have been a fitting thing to add that we deplored greatly the loss of those who so nobly sacrificed their lives, and sympathized with those they had left behind? It would not have cost much to say that. If it had been said, there would not have been conveyed to my mind the impression that there is not very much sympathy in this body, which is to-day doing everything possible to welcome His Royal Highness the Prince of Wales. We are, I think, in an exalted position—and a great many of us will be more exalted when the thirty days are over—and it would have been a step in the right direction for us to express our sympathy. I feel that when I go home and meet the people I know, they will say: "You at least, if nobody else, remembered us; you who have lived with us and have represented us for so many years, did not fail in your duty to call the attention of the Senate to the words of comfort that might have been placed on record." If the Senate records are to last, there should be some one to record the fact that the Senate of the day had, as far as it could, expressed its sympathy, said a kind word, for those who had suffered.

Now, I am not here to praise or to find fault. I do not know what is in that document. By-and-by we shall be able to examine it. But one can easily join with the mover and the seconder and the honourable leader of this House in congratulations on the happy advent of the Prince of Wales to this country, the way he has been received by the people, and the affable manner in which he has treated them all alike, not according to the divine right of kings, but as a man among his fellow-citizens. I can speak feel-

ingly on this subject. I saw the corner stone of the Parliament buildings laid by the Prince of Wales in 1860. I do not know that there are many other honourable gentlemen who were present on that occasion.

Hon. Mr. CLORAN: I was.

Hon. Mr. DOMVILLE: We remember the occasion with a great deal of pleasure. You talk about the Royal family. There was the great Queen who kept the world at peace. And Edward VII was called the peacemaker. I have a medal that he presented to me—one of those presented at the Peace Conference in London; but I do not hang it out on a string, and I do not advert to my circumstances there, whether they were of any use or whether they were not. Still I had the honour and pleasure of being present at the meeting in London. King Edward unfortunately died. He was the greatest king I ever saw or heard of. All his energies were devoted to the maintenance of peace. As to the Hohenzollerns, my honourable friend (Hon. Mr. Fowler), who was at the front, would know more about them than I do. I do not know very much about them, except that in royal families, as in all other families, some are good and some are bad. We have had the pleasure of paying large pensions to them all. The present Royal family of England has cut away from the others, and there is a line of demarcation; it is now the House of Windsor. We are done with the Hohenzollerns, and the Hapsburgs. It is fortunate that the Sovereign of England, looking all over Europe, wherever the relatives of the Royal family were, should have seen the difficulties of the hour. He had the good of his country so much at heart that he severed his connection with them, and he is to-day a people's King, and he will be sustained by the people.

We speak about reforms. We need reform in many things. There is a new era coming. Things that were good enough in the past are not suitable to-day, and we should all, on both sides of politics, in both Houses, try to unite and develop in a rational way something that will help the future peace of the nations, and those who are responsible for the conduct of affairs should set an example to the world. Let us pay all due honour to the great men we have, let us erect monuments to them, decorate their graves, or do anything else you like; but let us have common sense. I concur in what has been said by my honourable friend (Hon. Mr. Fowler) about reckless extravagance. I do not want to attack the Government at all, but the country will want to know, and will demand to know, the details of the large expenditure, and whether it was right or wrong, rational or irrational.

You speak of paying off your debt of two billions of money. Do you know how much that is a head ? Where are you going to get it? Are you going to take it from the smaller men, like clerks and officials, who have families? No, they cannot pay it. They have as much right to mercy at our hands as the Allies or any other nations. Mercy I call it, because they cannot bring up their children, they cannot sustain their families, unless the high cost of living is reduced and unless they can receive a fair day's wage for a fair day's work. I do not find any fault at all with employees who are seeking increases in wages. They have a right to live and to have their condition considered. We who sit in this red Chamber, this Chamber of light and darkness, do not rule the country; we are only the representatives of the people, and they have a right to look to us as such for the extrication of Canada from the terrible hole she is in to-day. She could not help getting into the hole, perhaps, but the administration of the country's expenditure is a matter which must call for great criticism.

Now, I have not said anything offensive. I have tried to praise everybody. I praised the mover, I praised the seconder, and I praised the honourable leader of the House. I always feel a great deal of satisfaction in hearing him, and I think the world of him. I shall be glad to help him to bring about the condition of affairs that should exist, and he will be independent enough, I am sure, to take such action as will force our rulers—for they are our rulers—to put affairs in better shape than they are to-day.

I regret having said so much; but when I heard no mention of the relatives of those who died, I felt it was necessary for me to point out that somebody in the Senate remembered them. If this were the proper time, I would move an amendment to the Address; but I shall not do so. I would move an amendment stating that this House desires to express its regrets and sympathy to those who have sacrificed everything—their money, their business, their children, and, many of them, their bread. However, they will find that some of us here were considerate enough, though having no power in the matter, to think of them, and to think well of them, and to be sorry that

in their calamities or losses there has been nobody here to say a kind word on their behalf.

Hon. L. O. DAVID: I would ask that the debate be adjourned until to-morrow; not for myself, but because there are two or three members who are absent, doing honour to the Prince of Wales in Montreal, and I think they will be here to-morrow and will wish to take part in the discussion. It will not be long.

Hon. Sir JAMES LOUGHEED: Anything that will please honourable gentlemen on the other side I agree to at once.

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

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

THE SENATE.

Wednesday, September 3, 1919.

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

Prayers and routine proceedings.

THE LATE LT.-COL. BAKER, M.P.

FORM OF MEMORIAL.

Hon. GEORGE G. FOSTER: I give notice of the following motion for Friday next:

That the following Senators, to wit, the Honourable Messieurs Bradbury, Casgrain, Pope and the mover, be appointed a Special Committee to confer and act with the Committee of the Senate and the House of Commons, who have in charge the building and arrangement of the new Parliament Building, for the purpose of considering and reporting upon the form of the Memorial to the late Lieutenant-Colonel Baker, M.P., for Brome, to be erected in the said building.

I may say for the information of this Chamber that the committee which was appointed last session had several meetings and after some difficulty we decided on the location of the memorial. There was a difference of opinion as to whether it should be in the Senate or in the House of Commons, but it was finally decided unanimously that it should be placed at the entrance of the tower of the House of Commons, and it is in order to carry that out and to decide upon the form of the memorial that I give notice of this motion.

THE NEW PARLIAMENT BUILDING.

PROGRESS OF CONSTRUCTION.

On the Orders of the Day:

Hon. FREDERIC NICHOLLS: Honourable gentlemen, with the permission of the House, I would like to ask the honourable leader of the Government if he has any definite or specific information in reference to the probability of the Senate Chamber in the new Parliament building being ready for occupation at the next session. I have heard various statements in regard to the situation. One is that, while the Commons Chamber will be ready for occupation, it will not be possible for the Senate Chamber to be ready, but the Senate can perhaps be accommodated in one of the committee rooms. Now, I have had more or less experience in building, and after a very careful examination of the surroundings I personally believe that, if an effort were made, the Senate Chamber could be completed in time for the next session. I pay great deference to the opinion of the honourable member for Amherst (Hon. Mr. Curry), who made a thorough inspection yesterday, and who assures me that in his judgment there should be no difficulty in having the Senate Chamber ready for occupation next session, provided the work is energetically proceeded with. But a visit to the new Parliament building discloses the fact that there are no workmen in the Senate wing at all. It has always been the custom for the opening of Parliament to take place in the Senate Chamber and, presumably, next session there would be a function of more or less importance in connection with the opening of the new building. Certainly no committee room will afford facilities for the function that should take place. I do not know whether, under the constitution, Parliament could be opened in the House of Commons; but in any event it is imperative, in my mind, that, not only on the score of economy, but on the score of convenience and on the score of proper deference to this honourable House, every possible effort should be made and must be made in order that the Senate Chamber may be ready for our occupation by the opening of Parliament next February or March, if Parliament does not meet before then. That would leave five or six months. The ceiling is practically completed; the walls are completed; and even if the main entrance were not completed, the Chamber itself could be made ready for our occupation.

Possibly the leader of the House or some honourable gentleman who is a member of the Building Committee can enlighten this House with regard to what steps are being taken to see that the work is energetically proceeded with.

Hon. Sir JAMES LOUGHEED: I quite agree with my honourable friend from Toronto as to the desirability of our occupy-

ing the Senate Chamber instead of any improvised Chamber that might be fitted up for the purpose, when the Parliament building is opened. It does not necessarily follow, however, that we shall meet in the new building at the next session. I know the judgment of the Prime Minister is that we should not take possession of the building until both Chambers are completed.

Some Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: I am a member of the Building Committee, together with my honourable friend from Portage la Prairie (Hon. Mr. Watson) and my honourable friend the Minister of Labour (Hon. Mr. Robertson), and while in the committee there has been an opinion that we might take possession next year, yet nothing has really been decided.

Personally I have always been in favour of the completion of the entire building before we take possession of it, and, that being the case, I hope that the apprehensions expressed by my honourable friend from Toronto will not be realized, namely, that the Commons will occupy their Chamber while the Senate will have to occupy improvised accommodation. There is no good reason why the work on the Senate Chamber should not be prosecuted with every vigour, with a view of having it completed at the earliest possible day. I cannot give any explanation as to why the Commons Chamber is to be completed at an earlier period than the Senate Chamber, unless it be that a more expensive class of work is being placed upon the Senate Chamber which may perhaps have delayed operations.

However, I shall be very glad to make further inquiry into the matter. In the meantime I think I can assure my honourable friend that the views of the Prime Minister will be carried out, namely, that we shall not occupy the building until both Chambers are completed, which will probably not be before 1921.

Hon ROBERT WATSON: As my name has been mentioned in connection with this matter, I should like to say just a few words with regard to it. I think the Committee has done everything possible to facilitate the completion of the building. As you all know, it was almost impossible for a time to get labour. We have had to contend with strikes and with demands for increased wages. As the honourable leader of the House has just stated, one of the reasons why the work on the Senate Chamber has not proceeded as rapidly as the work on the House of Commons is that it is very difficult at the present time to get artisans who are capable of doing the work that is required in the Senate Chamber. However, the architect assures me that fair progress is now being made in the work at the Senate end. Whether it will be completed in time for next February or not I do not know, but I think it is hardly practicable.

As to temporary accommodation, the Railway Committee room of the House of Commons might be used by the Senate. It is a larger room than this, its dimensions being 65 feet by 42 feet.

The work on the House of Commons Chamber being of a commoner class is nearer completion. With my colleagues on the Committee I can assure you that everything possible will be done to facilitate the completion of the Senate wing. It will be for the Senate and the Commons, I suppose, with the concurrence of the Government, to say whether the building shall be occupied before it is completed. I have no doubt that the judgment of the members will be fully canvassed before anything is done.

THE GOVERNOR GENERAL'S SPEECH.

ADDRESS IN REPLY — THE DEBATE CONCLUDED.

The Senate resumed from yesterday consideration of the motion for an Address in reply to His Excellency the Governor General's Speech at the opening of the session.

Hon. L. O. DAVID: Honourable gentlemen, I moved the adjournment of the debate yesterday because I thought that the honourable member for De Lorimier (Hon. Mr. Dandurand) and the honourable member for Salaberry (Hon. Mr. Béique) would be present to-day and would perhaps like to take part in the discussion on the Address. I am ready to give my place to either of those gentlemen if they wish to speak.

Hon. Mr. DANDURAND: Go on.

Hon. Mr. DAVID: Yesterday I asked the honourable the leader of the House why it was that a French senator did not move or second the Address. The answer of the honourable gentleman did not satisfy me. First, he said he thought I was a little facetious. Well, I was not; I was serious. Then he said that he welcomed my sense of humour. I pray the honourable gentleman to think that I was serious. The honourable gentleman further explained that there were no newly-appointed French senators. Well, all the old members of this House must know that from time immemorial,

although there were no newly-appointed French senators, there was always a French member of the Senate to move or second the Address. I give him my own case as an example. In 1905, although I had been the mover of the Address in 1903, I was asked to second the Address.

In order to preserve the old custom, which is a respected one, and which must be considered as constituting a right, I will say a few words in French, and take the place of the honourable gentleman on the other side who should have spoken in French. Although I do not like to repeat what I said yesterday, I am inclined to think that the only reason why there was not a French speaker was that there was nobody on the other side able to speak French, or, if there was, that he refused to move or second the Address. I see one honourable gentleman who might perhaps be able to explain that.

I am happy to have heard the honourable leader of the House, in his eloquent speech on the Address, say that in all parts of Canada, in all the provinces of the Dominion, the Prince of Wales had been received with the same enthusiasm. That applies evidently to the province of Quebec as well as to the other provinces. Yes, that must certainly apply to that poor old province of Quebec, whose loyalty has been so often suspected. The province of Quebec has proven in this case, as in many other cases, that she is always as ready to show her respect for British institutions, for the Crown and for the Royal Family, as any other part of Canada, with the exception perhaps of the city of Toronto. Of course, no part of Canada can be compared with the city of Toronto for the expression of strong feelings, whether good or bad. There are many who think that if the Prince of Wales' life is to be spared, it would not be prudent to send him again to the city of Toronto.

I will now continue my speech in French.

(Translation.) The province of Quebec has never failed in its duty in this respect. Of this I could give numerous examples. In 1860, when the beloved King Edward VII visited Canada as the Prince of Wales, the province of Quebec, with all other parts of Canada, welcomed him with the greatest cordiality. The Prince of Wales in 1860 was a handsome prince—such a prince as is described in romances and fairy tales—amiable, affable, and charming. The Prince who is visiting us at present resembles his grandfather in several respects. Like him, he is amiable, democratic, a veritable Prince Charming, winning the affection of everybody—the old and the young, the big and the little, the rich and the poor, the women and the young girls—much admired by the young girls, in whose eyes he resembles the ideal prince of whom they have often dreamed.

I am pleased to recognize that the Prince of Wales speaks French, and speaks it well, like all those in England who have received a good education.

The English Government, composed always of eminent men, of great diplomats, has always taken care to be represented in British colonies, especially in Canada, by men of sympathy, who would treat the different races and religions and all classes of society with equal impartiality and consideration. That Government has taken care, at a time when the eagle of imperialism most powerfully flaps its wings, to select one who can most favourably represent its views. At all events, whatever enthusiasm there may be for this young Prince and for the Royal Family, this will not prevent us fulfilling our duty in the consideration of this Treaty, and I am convinced that there will be in this Senate members sufficiently independent to consider its problems from the point of view of Canada, its destiny, and its best interests.

This Treaty, honourable gentlemen, is one big with consequences. It raises very serious and grave problems which merit the best attention of our public men and of all who are interested in the future and the destiny of Canada. In the first place, what will be the effect of the ratification of this Treaty? What would be the effect of a refusal to sanction it? Some contend that the effect would be nil, because the Treaty has been signed by the English authorities, by the representatives of the different nations, and by the representatives of Canada, and as a consequence we are bound.

The honourable the Prime Minister has said that if the Treaty were not ratified the Government would be obliged to resign. This is not the first time he has made such a threat when he has wished to have his policy adopted by Parliament. But in any case this would not be a great misfortune—a misfortune so great as that which would result from the ratification of a Treaty fatal to our interests.

Now, what effect is this Treaty likely to have on the destinies of Canada? Through the smoke of the incense in which the honourable leader of this Chamber has enveloped the Treaty we can discern some danger. The sound of the bells which celebrate it might well be the tocsin or the knell of the autonomy of Canada. To what

extent, honourable gentlemen, can we bind our heirs, our successors? To what extent can we bind future generations, compelling them to take part in all the wars which shall be determined upon by the League of Nations? To what extent can we restrict their liberty of action in their commercial relations with other countries, especially with our powerful neighbour, the United States? If Article 10 is rejected by the Congress of the United States, if they refuse to restrict their liberty of action, what shall be our situation?

Honourable gentlemen, we should not forget that we are in America and not in Europe, that geographically we are Americans and not Europeans, and that our commercial and industrial interests are American. We cannot isolate ourselves from American activities without putting in danger our prosperity, without imperilling the destiny of Canada. Our love for British institutions and our desire to continue to live under the ægis of the British Constitution should not prevent us realizing that our interests are in great part common with those of the United States. I believe I should add that the partisans of imperialism and even those who, like myself, and like the great majority of the inhabitants of this country, wish to continue to remain British subjects, will do wrong to place ourselves in a situation in which our interests would necessarily come in conflict with those of the United States and even with those of England.

However, we shall have an opportunity to discuss this question when the Treaty shall be officially placed before us, and I hope that the Senate will discuss the great problems to which it gives rise with the impartiality and the independence which they demand.

The motion for the Address was agreed to.

THE TREATY OF PEACE.

CONSIDERATION OF PROPOSED RESOLUTIONS POSTPONED.

On the notices of motion respecting the Treaty of Peace:

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I should like to amend the first motion that appears on the Order Paper by adding after the word "Peace" the words, "between the Allied and Associated Powers and Germany." These words were omitted through inadvertence.

Hon. Mr. BOSTOCK: Does my honourable friend purpose going on with the resolution?

Hon. Sir JAMES LOUGHEED: I am in the judgment of the House. What is my honourable friend's disposition on the question?

Hon. Mr. BOSTOCK: My disposition at the present moment would be to raise a point of order as to the method of procedure which my honourable friend has seen fit to adopt.

Hon. Sir JAMES LOUGHEED: Perhaps we can consume the afternoon discussing that.

Hon. Mr. BOSTOCK: It seems to me the procedure suggested is rather an extraordinary one, and one that this House has not hitherto given its consent to. As I understand, my honourable friend has resolutions which he proposes to move, and the Prime Minister has similar resolutions on the Order Paper in the other House which he proposes to move. It is for the Government to decide how they shall conduct the business of Parliament. It is open to them to proceed with these resolutions either in this House or in the House of Commons. After discussion and adoption by one House, the resolutions would go to the other House to be discussed. If adopted by both Houses, they would become an expression of the opinion of both Houses. But if we should proceed with this resolution in this House to-day and adopt it, and should the House of Commons proceed with the resolution and amend it in some way, it would not be an expression of the opinion of both Houses. There would be an expression of opinion by the Senate and there would be an expression of opinion by the House of Commons. It seems to me that this is an absolutely new method of procedure. I do not know whether His Honour the Speaker's attention has been drawn to it, but I think that we should very carefully consider the matter before dealing with the resolutions.

Hon. Mr. DANDURAND: Do I understand that the honourable gentleman has in mind the adoption by the two branches of Parliament of one and the same resolution which will represent the view of Parliament? I should surmise that that was the intention of the Government, as it reads in part as follows:

> Resolved, that it is expedient that Parliament do approve the Treaty of Peace.

It is not that the Commons nor that the Senate approves, but that Parliament do approve. It is simply the question of pro-

cedure that I am now discussing. We are about to discuss one and the same Act of the two branches of Parliament; and if it is one and the same Act of the two branches of Parliament, should it not be taken up by one branch, discussed there, and then be brought to the other Chamber in the form in which it will leave the first Chamber, in order that the second Chamber may have the views of the first Chamber before them, and may amend the resolution or accept it as it is. If that is not done and the two Chambers attempt to pass one and the same resolution, and if the resolutions are not identical when they cross the thresholds of the two Chambers, how long shall we be carrying on the discussion and exchanging our resolutions before we agree upon one and the same text? I do not know whether my English correctly expresses my thought. This is the first objection that I see to these resolutions being presented to the two Chambers concurrently; because, if we start amending these resolutions, as it is our right to do, and it is the right of the Commons to do, I do not see when we shall ever unite and agree.

Hon. Sir JAMES LOUGHEED: There are three ways by which Parliament may express itself; one is by statute having the sanction of the Senate, the Commons and His Excellency the Governor General representing His Majesty. Parliament may also express itself by a joint address, an address of both Houses; or by an address of either House. It is laid down that the House of Commons may express itself by address; likewise the Senate may do so. It need not be a joint address; it may be an expression of the opinion, the sentiment, or the judgment of either House. So far as a resolution is concerned, although I do not speak with the greatest degree of confidence on the subject, I am unaware that there can be a joint resolution of both Houses. A resolution is simply an expression of opinion of either Chamber as to what Parliament should do; it has not attached to it the sanction of law that a statute has.

Hon. Mr. DANDURAND: Would the honourable gentleman allow me a question? If these resolutions are adopted, is it the intention to send them over to the Commons to have them approved by the Commons?

Hon. Sir JAMES LOUGHEED: No. The object of these resolutions is that a general expression of Parliament may be had as to the desirability of ratifying this Treaty for the purpose of conveying immediately either to the Peace Conference or to France, who is desirous of an expression upon this subject, the assurance that in due course the Treaty will be ratified. It is quite apparent that the introduction of a Bill will necessarily occupy some time. The Peace Conference has been extremely anxious that effect shall be at once given to this Treaty. There is a provision whereby effect is not given to the Treaty until three of the Allied Powers become parties thereto. It is highly desirable for manifest reasons that this should be done at the earliest possible date. Not only are the Allies anxious that this should be done, but also Germany itself, so that that Power may at once give effect to the obligations which have been placed upon it. It has been suggested that the speedier way of doing this would be for the Parliament of Canada, by resolution of both Houses, to signify its agreement with the Treaty. A resolution of both Houses does not, in my judgment, necessarily operate as ratification of the Treaty; but it would be a fair earnest of what Parliament will do when the Bill comes before it. It is only for that purpose that this is being done.

In regard to this Chamber following the resolution of the Commons, that is not absolutely necessary. This Chamber could give an expression by way of resolution as to the desirability of ratifying the Treaty which would be possibly somewhat different from the expression of opinion of the House of Commons. It is for those receiving the resolutions to form a judgment from the expression of opinion of both Houses of Parliament as to the probability of ratification.

Hon. Mr. DOMVILLE: Will the Bill be founded on the resolutions of both Houses?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BEIQUE: I cannot but think that the course which it is proposed to follow is not the course which should commend itself to this honourable House. I draw the attention of the leader of the Government to this fact, that whenever anything is to be done by Parliament it is done by Bill; and I understand that the intention is to have a Bill brought up following the resolutions. The Bill is introduced in one House or the other, and, after having been passed by that branch, is sent to the other branch of Parliament. That is the only means whereby unity of action may be secured. If we proceed as has

been suggested, the two Houses may arrive at different conclusions, and there would be no means of having a conference. When the resolution is passed by the Senate, it cannot be taken up again; when it is passed by the House of Commons it cannot be taken up again. Two resolutions may clash in form or in intent; for instance, this House might vote against the resolution, or it might adopt a resolution which would be contrary to the Bill which would be introduced in the House of Commons. Surely we should avoid a danger of that kind, a danger which may not present itself on the present occasion, but which, if we adopt this precedent, may present itself on future occasions. I am satisfied that if the honourable leader of the Government reflects, he will see great objection to establishing a precedent of this kind, because it would not afford the two Houses an opportunity of coming to a united united action in conference.

Hon. Sir JAMES LOUGHEED: Is there anything in parliamentary practice to preclude either House from passing a resolution of its own motion?

Hon. Mr. BEIQUE: No, of course not. When either branch of Parliament is acting independently, it may do so; but whenever we deal with a matter which is to be embodied in a Bill and to become law, it is the action of Parliament, and therefore there should be unity of action.

Hon. Sir JAMES LOUGHEED: May I ask another question? If there be a difference between the two Houses as to a resolution, what Parliamentary practice is there to enable both Houses to come together on the resolution? I know of none.

Hon. Mr. BEIQUE: Exactly; that is the argument I have offered. The leader of the House evidently did not follow the remarks I made. I pointed out that under the procedure he is suggesting possibly one branch of Parliament would adopt one resolution while the other branch would adopt a resolution on the same matter which would be in conflict with the very object in view. I say that whenever a matter is to be dealt with by Parliament, not by the Senate alone or by the House of Commons alone, it should be brought up in one House or the other and dealt with, and then passed on to the other House for consideration.

The honourable the leader of the Government will see the consequences that may follow this course of action. Suppose that this House should decide to reject the resolution, or to amend it in such way that it would conflict with some provision of the treaty, that would not prevent the House of Commons from proceeding with a Bill ratifying the treaty and sending it to us. In what position would we then be? I think this is sufficient to show that the practice suggested should not be introduced.

Hon. Sir JAMES LOUGHEED: Do you wish to go on with the resolution this afternoon?

Hon. Mr. BOSTOCK: Personally I should prefer not to go on this afternoon. I raised the point which has been under discussion so that my honourable friend might have an opportunity of considering it.

Hon. Sir JAMES LOUGHEED: If my honourable friend is not in a position to go on this afternoon, I certainly would insist upon going on to-morrow, because it is absolutely necessary that we should dispose of this subject. Parliament has been called especially for that purpose, and we are committed to give an expression of opinion as nearly as possible, as to whether or not Parliament is going to ratify the treaty before it. If my honourable friend desires to delay until to-morrow, I am prepared to let the matter stand.

Hon. Mr. DANDURAND: My honourable friend seems to think that this Chamber is ready to take up this discussion, and should be in a position either to-day or to-morrow or the day after to-morrow to express an opinion upon the document which was laid upon the table of the House only yesterday. I should have much preferred that he had followed the precedent of the Prime Minister in England, who introduced his Bill and made his statement, but only took up the second reading three weeks afterwards. My honourable friend surely does not believe that there is any one, except himself and perhaps some of his colleagues, who have been studying this Bill for a few weeks, who can express an intelligent opinion upon the Bill and discuss the objections that may be raised. As I said, on the 2nd of July last, Mr. Lloyd George introduced a Bill and made his statement, and the second reading was taken up on the 21st of July. All that time was given to the Commoners and the Lords to study the Treaty, examine into it, and see its consequences, so that they could express an opinion upon it or give an intelligent vote. Instead of proceeding by a Bill my honourable friend embodies the endorsation of the whole Treaty in a resolution, and asks us on the spur of the

moment to vote our approval of the Treaty itself. I do not believe it is fair to Parliament or fair to the country, and for that reason, if my honourable friend moves, we on this side of the House will move that the resolution be not now considered, but that it be considered this day three weeks, or this day two weeks. We owe a duty to the country and to ourselves not to bind ourselves to the Treaty as a whole without having had a chance to read it.

I have just been reading a study of the Treaty by one of the principal historians of France, who said that it had taken the representatives of the Allies six months to bring about the Treaty, and that it had taken him six weeks to analyse it and put in writing his views. We are but asking time to read and digest this important document.

Hon. Sir JAMES LOUGHEED: I shall not proceed with the motion to-day. I am willing that this motion should stand until to-morrow; but when to-morrow comes I purpose asking the House to proceed with it. The Commons will proceed to deal with the matter to-morrow, and there is no reason why the Senate should not do so. Furthermore, I say to my honourable friend, and he must be fully aware of it, because he is in touch with the latest cable news, that as long ago as the 28th of May last the purport of this Treaty was cabled to Canada in English and in French, and was circulated; and the reading public, particularly the public men of Canada, should certainly be seized with the fullest knowledge of the contents of the Treaty. While with all due deference I accept what my honourable friend says as to his want of knowledge of the Treaty, yet every opportunity has been given to everybody in Canada to become acquainted with its purport. I move that the resolution stand until to-morrow.

The resolution stands.

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

THE SENATE.

Thursday, September 4, 1919.

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

Prayers and routine proceedings.

Hon. Mr. DANDURAND.

SOLDIERS' CIVIL RE-ESTABLISHMENT BILL.

FIRST READING.

Bill A, an Act to amend the Department of Soldiers' Civil Re-Establishment Act.—Hon. Sir James Lougheed.

SMOKY RIVER COAL LEASES.

INQUIRY AS TO CANCELLATION.

Hon. Mr. BOSTOCK inquired of the Government:

(a) If their attention has been drawn to a statement appearing in the Free Press published in Winnipeg on the 28th August, 1919, as coming from their Ottawa correspondent, which expresses a doubt as to whether the coal leases issued on the Smoky River to Col. Shillington had been cancelled.

(b) If these leases were cancelled by the Minister of the Interior in July, 1919.

Hon. Sir JAMES LOUGHEED:

(a) The attention of the department had not previously been called to the article.

(b) The Order in Council dated the 1st of July, 1919, P.C. 1369, authorizes the cancellation of eight coal mining leases bearing date the 29th and 30th of August, 1918, issued in favour of A. E. Austin, W. Barnett, R. W. McClung, A. H. Weir, C. W. Coppock, G. E. H. Hauff, J. A. Leask and W R. Gouin, and assigned on the 27th of January, 1919, to C. A. Barnard, K.C., of Montreal, and Adam T. Shillington, M.D., of Ottawa, and that the rights described in these several leases be reserved to the Crown. The eight leases were accordingly cancelled in the records of the Department of the Interior and the solicitor of the lessees was advised accordingly.

COMMITTEE ON SELECTION.

Hon. Sir JAMES LOUGHEED moved the adoption of the first report of the Committee of Selection appointed to nominate senators to serve on the several Standing Committees for the present session.

He said: Honourable gentlemen, the only changes made in the Committees are as follows: Hon. Senator Power replaces the late Senator Taylor of Leeds on the Joint Committee on Printing; Hon. Senator Webster replaces the late Senator Taylor of Leeds on the Committee on Internal Economy and Contingent Accounts; on the Committee on Public Buildings and Grounds, Hon. Senator Fowler replaces the late Senator McLaren.

The motion was agreed to.

THE PEACE TREATY WITH GERMANY.

RESOLUTION OF APPROVAL AGREED TO.

Hon. Sir JAMES LOUGHEED moved:

Resolved, That it is expedient that Parliament do approve the Treaty of Peace between the Allied and Associated Powers and Germany (and the Protocol annexed thereto), which was signed at Versailles on the twenty-eighth day of June, nineteen hundred and nineteen, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.

He said: Honourable gentlemen, in moving the resolution which stands in my name on the Order Paper for to-day, I shall assume that the copies of the Treaty which have been received from the Imperial Government have been distributed, and have been read by honourable gentlemen in this Chamber.

Hon. Mr. BOSTOCK: Not read.

Hon. Sir JAMES LOUGHEED: Well, I hope so; I hope honourable gentlemen have read the Treaty.

Hon. Mr. BEIQUE: I was unable to get my copy until half-past two yesterday.

Hon. Mr. POPE: You had all night.

Hon. Sir JAMES LOUGHEED: I know so well the ability of my honourable friend to acquaint himself speedily with voluminous documents. I am quite sure that in an hour or two he could fully acquaint himself with the contents of the Treaty.

I should be very sorry to weary the House by going into any very lengthy explanation of the Treaty. It will, however, be necessary for me to make some passing reference to some of the articles in the Treaty, particularly those in which we feel rather a greater than a less degree of interest.

It may not be out of place for me to say, in beginning my observations, that the Treaty is probably the most important and most momentous Treaty that has ever been entered into by any group of nations. It deals with matters fraught with greater importance, not only to the public of the present day, but to future generations, than any similar document ever penned; and, owing to its momentous import, the responsibility upon our shoulders is all the greater to give every consideration to the subject before us.

It is needless to say that the Treaty marks the fortunate ending of the war. We can readily recall with what trepidation we entered upon the tremendous struggle which commenced in August, 1914; the anxiety with which not only Canada but the Empire to which we belong, and in fact nearly all civilization, was strained, by reason of the possibilities which seemed to be wrapped up in the struggle then beginning. It is unnecessary for me to attempt to sketch the development of that struggle or to refer to it at any great length. Suffice it to say that for four long years there was a neck-and-neck struggle between the Allies and the enemy. It looked at one time as if the forces which the Allies had brought to bear upon the battlefields of France and Flanders would be insufficient to cope successfully with the enemy. When we contemplate what might have happened had the Allies been vanquished in the great struggle upon which they had entered, the human mind is staggered by the thought of what might have followed a victory by Germany under the terrible circumstances which surrounded the war. When we think of the consequences which did result from the war, notwithstanding the splendid victory of the Allies; when we consider the convulsion of not only the whole of Europe but the whole of civilization, by reason of the struggle which was started and maintained by Germany, we fail to grasp the possibilities of defeat; and yet, honourable gentlemen, there was a time when we held our breath fearful if the Allies would not be successful in the war in which they had engaged. It is needless to say that if Germany had conquered in this war autocracy would have been triumphant, freedom would vanish, liberty would be trampled in the dust, and the Allies, including this Canada of ours, would be under the tyrannical heel of the Prussian's jack-boot for probably generations to come. But fate was kind to us, and, notwithstanding the apprehensions with which we looked upon the war a year ago, very happily the Allies were in a position to dictate a peace, which peace is to be found within the four corners of the Treaty we are considering to-day.

I am quite aware, honourable gentlemen, that there has not been conclusive unanimity upon the contents of this Treaty. It was not to be expected that, in a document as lengthy as this, and one to which thirty-two nations are signatory, embodying the varied views of so many and involving rival interests to the extent to which they must have entered into the consideration and preparation of the Treaty, unanimity would necessarily be arrived at. After all, it is a compromise on the opinions and views of all the signatories to the Treaty

And yet I venture to say that no one reading this Treaty critically, and proceeding to what might be termed a final analysis of the judgment arrived at, can criticise it successfully as failing to give effect to the fundamental principles in view. It may be said—and I fancy that it was at one time expected—that if Germany failed in this war, on the terms of peace which are usually imposed upon a vanquished nation, she should be made chargeable with paying the cost of the war; but when we consider the overwhelming character of the struggle, when we consider that practically the whole edifice of civilization was shaken like a house of cards and that devastation and destruction swept over not only Europe but other continents, we can readily understand that, with Germany crippled, as we are glad to say she was when the war terminated, it would have been impossible for her, notwithstanding her ability and her possibility of recuperation, to meet the enormous cost involved in the carrying on of the war. I noticed the other day that it was stated by the Prime Minister of Great Britain that the war had cost the nations engaging therein no less than thirty billions of pounds sterling. For the carrying on of the war Great Britain alone had to raise by loans and revenues nine billions and a half pounds sterling. Her army numbered 7,700,000 men. There were no less than 3,000,000 casualties in this Empire. When we proportionately apply the cost and the casualties to the other nations engaging in this titanic struggle, it can be readily conceived that it would be impossible for any nation, or practically any group of nations, to assume the entire burden of the overwhelming cost and debt which have been created by that struggle. The human mind cannot grasp the figures which are involved; they transcend our imagination to such an extent that we cannot grapple with them.

However, when we peruse this Treaty which is now before us and consider, not merely in detail, but in the aggregate, the terms which have been imposed upon Germany, we cannot fail to come to any other conclusion than that they are onerous in the extreme; yet, while they are onerous in the extreme, they are not excessive but generous. If Germany had conquered in this struggle, she would have crushed the life-blood out of her enemies and her heel would have been on our necks for generations to come. Yet, we are glad to say, the Allies are to-day generous and merciful taskmasters, notwithstanding the reasons they have for reprisals against the arch foe which they combatted.

In reviewing the terms for a moment, probably at the risk of being considered a little tedious, may I be permitted to enumerate to some extent the losses of territory which Germany has sustained as the outcome of these peace conditions May I preface that by saying that when Germany entered upon this war her object was that of world domination? That policy embraced territorial aggressions by which she proposed to take from the other nations of Europe territory of enormous magnitude, and by which, if she had succeeded, she would have become territorially the most powerful empire in the world.

More attention, I imagine, was given to the retrocession of Alsace-Lorraine than to the cession of any other territory which Germany lost; and it was probably the arbitrary action of Germany in 1870 in exacting from France the cession of those two French provinces which had a great deal to do with the position they occupy to-day. Under Article 51, on page 38, we find:

> The territories which were ceded to Germany in accordance with the Preliminaries of Peace signed at Versailles on February 26, 1871, and the Treaty of Frankfort of May 10, 1871, are restored to French sovereignty as from the date of the Armistice of November 11, 1918.

Again, on page 48 of the Treaty, we find territory taken from the German empire by which the Czecho-Slovak State becomes one of the important national entities of Europe. Article 83 reads as follows:

> Germany renounces in favour of the Czecho-Slovak State all rights and title over the portion of Silesian territory defined as follows.

I need not read the boundaries thereof.

Coming down to article 87, we find that Germany has had to renounce the territory of Poland, which 150 years ago she acquired through tyrannical action by which the people of Poland were crushed, and from which time the people of Poland were under the heel of the Prussian.

> Germany, in conformity with the action already taken by the Allied and Associated Powers, recognizes the complete independence of Poland, and renounces in her favour all rights and title over the territory bounded by the Baltic Sea, the eastern frontier of Germany as laid down in Article 27 of Part II of the present Treaty.

On page 59 of the Treaty we find the renunciation by Germany and the retrocession of the free city of Danzig, a city of no mean importance.

At page 62, in Article 109, we find Germany compelled by the Peace Conference to make provision for the restoration to Denmark of Schleswig, if its people so determine. One need not review the historical circumstances under which Germany through national fraud secured this territory from Denmark.

On page 66 of the Treaty it will be found that that great fortress which was looked upon as impregnable and inaccessible, and which played such an important part in the naval engagements of the North Sea, viz., Heligoland, will be dismantled and its fortifications destroyed.

Article 115 reads as follows:

> The fortifications, military establishments, and harbours of the Islands of Heligoland and Dune shall be destroyed under the supervision of the Principal Allied Governments by German labour and at the expense of Germany within a period to be determined by the said Governments.

Then we go on to the section dealing with the German colonies. Under Article 119—

> Germany renounces in favour of the Principal Allied and Associated Powers all her rights and titles over her oversea possessions.

When we consider that those colonial possessions covered no less an area than about 1,500,000 square miles, we can well appreciate the humiliation suffered by Germany in thus losing her colonial empire. Those colonies consist of Southwest Africa, Togoland, the Cameroons, East Africa, New Guinea and certain other islands in the Pacific ocean.

Coming to China, we find that Germany has had to relinquish all her possessions in that country. Under Article 128 we find Germany renouncing in favour of China—

> All benefits and privileges resulting from the provisions of the final Protocol signed at Peking on September 7, 1901, and from all annexes, notes and documents supplementary thereto.

Coming to Siam, we find under Article 136 that—

> All goods and property in Siam belonging to the German Empire or to any German State, with the exception of premises used as diplomatic or consular residences or offices, pass ipso facto and without compensation to the Siamese Government.

Likewise, as to Morocco, we find that under Article 144—

> All property and possessions in the Sherifian Empire of the German Empire and the German States pass to the Maghzen without payment.

And we find that property of the German Empire and States—

> shall be deemed to include all the property of the Crown, the Empire or the States, and the private property of the former German Emperor and other Royal personages.

Article 153 provides that—

> All property and possessions in Egypt of the German Empire and the German States pass to the Egyptian Government without payment.
>
> For this purpose, the property and possessions of the German Empire and States shall be deemed to include all the property of the Crown, the Empire or the States, and the private property of the former German Emperor and other Royal personages.

Turning to Article 156, we find that—

> Germany renounces, in favour of Japan, all her rights, title and privileges—particularly those concerning the territory of Kiaochow, railways, mines and submarine cables—which she acquired in virtue of the Treaty concluded by her with China on March 6, 1898, and of all other arrangements relative to the Province of Shantung.

This reveals to us, honourable gentlemen, that it would be difficult to have imposed upon any nation more onerous terms, in the transference of vast territorial possessions, than the terms embraced with in the present Treaty impose. Germany has been stripped, not only of all her outside possessions, but also of very large areas of her own empire in Europe, to an extent even greater than we had hitherto thought.

Coming to the question of the disarmament of her military, naval, and air forces, may I point out the humiliation to which she has been subjected by reason of the terms imposed upon her? Under Article 159—

> The German military forces shall be demobilized and reduced as prescribed hereinafter.

Then again under Article 160:

> (1) By a date which must not be later than March 31, 1920, the German Army must not comprise more than seven divisions of infantry and three divisions of cavalry.
>
> After that date the total number of effectives in the Army of the States constituting Germany must not exceed one hundred thousand men, including officers and establishments of depots.

When we remember, honourable gentlemen, that five years ago the army of Germany was a menace to the whole of the civilized world, and when we think of its position to-day reduced from about 4,000,000 of effectives to 100,000, who can say that the terms that have been imposed upon Germany are not onerous? Why, honourable gentlemen, previous to the war, the army of Germany, as I have said, was the greatest menace to civilization. The world trembled at its clank of arms. There was not in Europe a nation that had not to keep

up its armaments, both military and naval, because of t'.e standing army main'ained by Germany. Peace would have brooded over practically the whole of Europe had it not been for this military machine of Germany, which threatened in season and out of season to crush the nations of civilization. True, we did not apprehend, to the extent we should have done, its danger, its possibilities, and the fact that Germany had fully intended to enter upon a campaign of world power. When we look back upon those days and think of the fool's paradise in which the nations of Europe lived, particularly Great Britain, and to a lesser extent France, without making that preparation which was necessary to meet the vast preparations which were made in Germany and which were not in any way concealed, one is amazed, one is astounded, at the credulity of those nations in their lack of preparation and equipment for the vast struggle the signs of which then appeared upon the horizon. However, it is a matter of profound satisfaction, honourable gentlemen, and one of the greatest guarantees of peace that we can possibly have for the present generation, that we find within the four corners of this Treaty a provision—which has not only been imposed by the Peace Conference but which has been accepted by Germany herself—that her army shall be reduced to 100,000 men. More than that, we find under article 168 that the manufacture of arms, munitions or any war material shall only be carried on in factories or works the location of which shall be communicated to and approved by the Governments of the Principal Allied and Associated Powers, and the number of which they retain the right to restrict. When we think of those enormous industries, covering hundreds of thousands of acres in different parts of Germany, by which armaments were being made for the deliberate destruction of our fellow-men, it is a matter, I say, of the profoundest satisfaction to find that under article 168 those great industries of destruction have been wiped out by one stroke of the pen of this Conference whose Treaty we are considering to-day.

On page 83, under article 180, we find a very important condition that has been forced upon Germany:

> All fortified works, fortresses and field works situated in German territory to the west of a line drawn 50 kilometres to the east of the Rhine shall be disarmed and dismantled.

No longer will those forts that threatened destruction and devastation to the people of France lift their heads, menacing the life of the fair land of France.

Next, we come to the naval clauses. Under article 181 we find that

> After the expiration of a period of two months from the coming into force of the present Treaty the German naval forces in commission must not exceed 6 battleships, 6 light cruisers, 12 destroyers, and 12 torpedo boats.

Under article 183—

> The total personnel of the Germany navy, including the manning of the fleet, coast defences, signal stations, administration and other land services, must not exceed 15,000, including officers, and men of all grades and corps.

Look back a few years, honourable gentlemen, to the time when we perused the news from Germany of the growth of the German navy and of the policy which was laid down for the building up of a navy that would be second to none that sailed the seas. We can very well recall the apprehension with which we regarded the dread news which from time to time came from Germany as to the upbuilding of that navy. It inspired our own efforts to strengthen our own naval defences. We know the apprehension which, I might say, continually racked Great Britain herself, notwithstanding the fact that she had an incomparable navy, superior to anything that sailed the seas.

There was no subject discussed in the House of Commons with so much tremor, so much fear of possibilities, as the building of the German navy. Now, honourable gentlemen, we have the satisfaction of knowing that that navy has disappeared; it has vanished into the oblivion of the sea's depth, sunk by the Germans themselves, and their navy for years to come must not exceed a personnel of 15,000 men.

There is another matter which gives us satisfaction: that is, the provisions in Articles 227 and 228 regarding the trial of the Kaiser and those associated with him, who are responsible for the greatest crime of the ages. It is to be hoped, honourable gentlemen, that all the provisions of this Treaty in regard to the trial of the ex-Emperor of Germany and those associated with him will be prosecuted to the fullest extent, because, if there has been an arch-criminal of the ages, it is the man who to-day is a fugitive from his native country, and over whose head hangs a trial by the Allies, a trial which I hope will be carried out, so that he shall not go unpunished for the colossal crime of which he is the guilty head.

Another matter provided for in the Treaty, in Article 380, is that—

The Kiel Canal and its approaches shall be maintained free and open to the vessels of commerce and of war of all nations at peace with Germany on terms of entire equality.

When we think of the armaments of Germany enclosed in that canal, threatening not only the peace of Europe, but the peace of the world, it is a matter of profound satisfaction to know that this great waterway will hereafter be used for the purposes of peace.

On page 122 we find provision made for the payment by Germany of the cost of the army of occupation:

There shall be paid by the German Government the total cost of all armies of the Allied and Associated Governments in occupied German territory from the date of the signature of the Armistice of November 11, 1918, including the keep of men—

and so on. This involves the payment by Germany of a very large sum of money.

Now we come to the question of reparation, which will involve a greater effort on the part of Germany than is involved in the articles regarding the sacrifice which has been compulsorily made by her, as also in the surrender of her military and naval forces. Let us review for a moment what this means. In the first place, under Article 232, Germany is called upon to make good the restoration of Belgium:

In accordance with Germany's pledges, already given, as to complete restoration for Belgium, Germany undertakes, in addition to the compensation for damage elsewhere in this Part provided for, as a consequence of the violation of the Treaty of 1839, to make reimbursement of all sums which Belgium has borrowed from the Allied and Associated Governments up to November 11, 1918.

How much money will be involved in the restoration of Belgium? Provision is made in the Treaty for the appointment of commissions who will investigate the losses incurred in the destruction and devastation of Belgium, and those will be reported upon afterwards to properly-constituted tribunals, and indemnity paid therefor by Germany.

Then we come down to the compensation to the Allies. Compensation shall be made to the Allies for different purposes, which will be found set out in Annex I, on page 105, and which I need not enumerate except to say that they are of the most comprehensive character and involve the payment of almost inconceivably enormous sums of money. Reparation or compensation so to be made will include damage to property on land and sea, damage for all mercantile shipping destroyed—ton for ton being exacted—damage suffered by the relatives of sailors who lost their lives in the mercantile shipping of the Empire, damage for the loss of all cargoes; and in the satisfaction of other categories of damage full reparation or compensation must be made, all of which will represent many hundreds of millions of dollars.

On page 109 we find provision made for the issue, part forthwith and part later, of bonds representing not less than one hundred billions of marks. The provisions will be found under paragraphs 1, 2 and 3 of Article 12 in Annex II. Those gold-bearer bonds will be handed over to the tribunal selected by the Allies, and the amounts will be applied for the time being in the restoration, for instance, of Belgium, and in covering the other losses which will have to be paid by Germany.

Hon. Mr. POIRIER: Is there any likelihood of any of that money coming to Canada?

Hon. Sir JAMES LOUGHEED: Yes, Canada will be entitled to its share of that amount; Canada's pension debt will be reduced to a substantial extent. That is to say, Germany makes indemnity to the Allies for their pension liabilities on the same basis as the pension scale of France. The Peace Commission accepted the pension scale of France as the scale upon which this indemnity should be computed.

This is but a short review, honourable gentlemen, of some of the terms that have been imposed. I am not going to read to you the economic terms, except to say that it is difficult for the human mind to conceive of anything more complete, of anything covering so abundantly and so completely almost every question that could possibly arise in connection with the matters to be settled between the Allies and Germany. You have the Treaty before you, honourable gentlemen. Consequently I am not going to weary the House by attempting to review the various other conditions which have been imposed upon Germany.

I cannot conclude, honourable gentlemen, without referring to the League of Nations.

Hon. Mr. DAVID: That is the point.

Hon. Mr. MITCHELL: Will the United States be entitled to any of that pension fund?

Hon. Sir JAMES LOUGHEED: Yes, all of the Allies. I am aware, honourable gentlemen, that the Covenant of the League of Nations has been discussed, probably at very much greater length and probably with

very much greater interest, than the conditions of peace which have been imposed upon Germany. It would seem to me that it would have been illogical and devoid of human foresight had this Treaty been concluded without some provision being made along the lines embodied in the Covenant of the League of Nations. This is the corollary of what has already been done. It is inconceivable that civilization should pass through the struggle in which we have been engaged for five years past, having before it the knowledge, a knowledge so painfully and so distressingly impressed upon it, without pausing to consider if it were not possible to prevent a repetititon of the crime perpetrated in August, 1914, by which the whole of civilization was defied and trampled upon through the criminal ambitions and savagery of one nation that it might aggrandize itself at the expense of civilization.

I need not say that war is as old as the human race, and, notwithstanding the League of Nations and all other leagues that humanity may enter into, there is just a possibility of human passions so asserting themselves that we may not be able entirely to prevent war. But the subject of war is a very much more important problem to-day than it ever was in the past. To-day, with the advance of science, and with the development and progress of the human race, war has become so formidable a question that the great Powers have found it absolutely necessary to consider what can be done to stop the creation of the enormous liabilities and debts with which Europe and the rest of the world have been struggling for the last generation. The greatest pacifists in the world to-day are the great Powers themselves. Honourable gentlemen very well know that, previous to the declaration of war by Germany, no power in the world put forth so many efforts as Great Britain to have a specific understanding with Germany with the view of avoiding war. The cost of modern armaments is the heaviest burden that the great Powers have to bear. There is nothing that to-day weighs so heavily upon the shoulders of Europe as the cost of modern armaments. There has been intense rivalry from one year's end to another, from one decade to another, between the contending sections of Europe as to which should possess the greater and more destructive armaments. I suppose at no period was the propaganda of peace in this regard carried on to the same extent as immediately before the war. Some of our apostles of peace were regarded as the prophets of old: they predicted that war had passed away, that the reign of peace had begun, that the nations had turned their swords into ploughshares and their spears into pruning hooks. Then, suddenly as a bolt from the blue, came the declaration of war, and we found all Europe plunged into the greatest war of history, a war in which the losses aggregated more than those of the wars of many centuries. Now we have arrived at the point where the Allies have dictated their own terms of peace to the enemy, and the question naturally arises as to how a future war can be prevented. When the Peace Conference met in Paris in January last the first step taken was to frame the Covenant of the League of Nations. There was an opinion—and that opinion was strongly asserted, and effect was given to it—that it should precede the terms of peace; that there should be an agreement arrived at, not only among the Allies but also among neutral nations as well as the belligerent nations in the near future, as an assurance to civilization that such a universal catastrophe could not again occur.

Now, I must say, from a persual of this Treaty, that I think it would have been difficult for the human mind to conceive, considering what is involved in the Treaty, a more effective document to carry out the purposes which are in view. The fundamental principle of the Covenant of the League of Nations is to prevent war, and in what other way that can be accomplished I am at a loss to understand. It is only by an agreement between the nations of the world that war can be made impossible. It can be accomplished only by each nation assuming equal liability for the enforcement of the Treaty into which they have entered. So far as the present Covenant is concerned, it is the product of the ablest minds in the four continents. It would be difficult to conceive of a tribunal possessed of greater intellectual ability, greater experience, greater knowledge of international affairs and of international jurisprudence than that which sat in Paris for six months. As the outcome of their deliberations we have before us the Treaty known as Part I of the document which we are now considering. I am aware that it is being discussed to-day, particularly in the United States, with a degree of warmth and with differing views between the contending parties; but, honourable gentlemen, would it be possible to arrive at a conclusion or to reach a common agreement among all the

signatories of this Treaty, with absolute satisfaction to every signatory who has become a party thereto? Mr. Lloyd George himself has expressed some dissatisfaction; some dissatisfaction has been expressed in France; dissatisfaction is being expressed in the United States; and we find some dissatisfaction being expressed in Canada, that everything is not just as the parties expressing opinions upon the subject would have it if they were framing the Treaty themselves.

I am anticipating some little discussion that may take place on Article 10. I fancy that Article 10 may be termed the storm centre of the critics who object to the Treaty. Article 10 reads as follows:

> The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the council shall advise upon the means by which this obligation shall be fulfilled.

That entails upon every signatory country the responsibility of contributing to the extent that may be determined by the Council and the Assembly constituting the League, in the carrying out of whatever decision may be arrived at by that tribunal. I need not say that any individual, or any aggregation of individuals, or any nation wanting to participate in the benefits of this Treaty, must necessarily incur all the obligations incident thereto. Canada cannot become a party to this League and enjoy all the advantages of the League—enjoy the defence and protection which she will be given by the other nations of the world—unless she is willing to assume a like responsibility with them. I say that if Canada failed to do so Canada would play the part of a poltroon; Canada would be unworthy of the name of a nation; Canada would not be recognizing for a moment her possibilities, but would sink for all time to come into that humiliation and oblivion into which all nations should descend who are afraid to assume the national duty of defence. It is unnecessary for me, or for any member of Parliament, to vindicate the action which must be taken by the signatories in entering upon this obligation. It is one of the very first principles of any people that they should be prepared for sacrifice in defence of their national entity, and this obligation has been thrown upon Canada as well as upon the other nations who are signatories to the Covenant. What would be the consequence, honourable gentlemen, if we repudiated this article of this League and Covenant? Civilization would ostracize us from the family of nations. What would be the position of Canada in regard to the Empire to which we belong? Could we say to Great Britain, "We are going to remain part and parcel of the British Empire, but hereafter we expect you—and not only you, but all the other signatories of this Treaty—to defend us from the enemies of the Empire? If we in a moment of cowardice refrained from assuming, or refused to assume, the responsibility of participating with the other nations of the world in this obligation which is thrown upon us, we would become a byword and a reproach among the nations of the world.

I need not say anything more upon that point, honourable gentlemen. But I have heard rumblings in the distance. It is said that it would be unwise for Canada to take upon her shoulders this fundamental obligation of nationhood. Canada acquitted herself well in the late war. Canada's army stood shoulder to shoulder with the finest troops in the world, and achieved a reputation for prowess and gallantry not excelled in history. However, honourable gentlemen, I venture to predict that this obligation will sit lightly upon the shoulders of Canada, and she will proudly take her place with the other signatories to the Treaty.

I think it is unnecessary for me to review further this part of the Covenant of the League of Nations. Suffice it to say that I think in the near future posterity will regard it as fraught with greater advantages to civilization than any covenant entered into in the history of the past.

Provision is made in the Covenant for the improvement of labour conditions. It is a matter of satisfaction that the League has given the most profound attention to this very important question. When it is considered that of the soldiers who fought with the Allies over three-quarters were from the world of labour, one can very well appreciate the importance of the problem which came before that tribunal to work out some international scheme whereby better and more uniform conditions of labour might be brought about. Within the four corners of this Treaty is to be found the machinery by which the representatives of labour from all parts of the world may come together under the co-operative action of the different nations, to discuss and work out those problems in such a way as will, I am satisfied, elevate labour to a plane which hitherto it has not occupied. I do

not intend to enter into a consideration of that subject, because my honourable friend who sits on my right, the Minister of Labour (Hon. Mr. Robertson), is, I may say, a specialist on that question, and I must not entrench upon his ground.

Permit me, in conclusion, to say, honourable gentlemen, that I have every confidence that this Treaty, embracing the Covenant of the League of Nations and all the other provisions in it, will be handed down to posterity as one of the most beneficent and momentous international agreements that the world has known. It will be regarded also not only as a just but as a retributive judgment for the crime which was committed by Germany in precipitating upon the world the war of 1914, and it will stand, I hope, for all time to come, as a warning to those nations that would plunge mankind into a criminally-designed war.

Hon. HEWITT BOSTOCK: Honourable gentlemen, the question which is placed before us in this resolution is one with which I would like to deal without any necessity of referring in the first instance to the method of procedure that has been adopted by the Government in bringing it before the House. Before dealing with the question of the Treaty I desire to express the objection to the method that has been followed in this case. In the course that the Government has pursued there is established a precedent in parliamentary procedure which is new to this body. The proposal is here made:

> Resolved, That it is expedient that Parliament do approve the Treaty of Peace between the Allied and Associated Powers and Germany (and the Protocol annexed thereto), which was signed at Versailles on the twenty-eighth day of June, nineteen hundred and nineteen, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.

If we pass this resolution it will be simply an expression of the opinion of this House, and not an expression of the opinion of both Houses of Parliament, or of Parliament itself, as it would be if the ordinary procedure had been followed, of dealing with the resolution in the other House first, and then sending it up to this Chamber. I think the present procedure is open to strong objection.

Further, I feel that we have not had sufficient time in which to consider the questions connected with this Treaty. Parliament was called together on Monday of the present week, and it was not until Tuesday that we had these documents placed in our hands for the purpose of consideration. We are now asked to deal with this important matter when we have had only a couple of days in which to try to acquaint ourselves with the tremendous questions involved. As my honourable friend has pointed out, it took six months for the representatives of the various governments assembled in Paris to come to a conclusion and an understanding on the terms of the Treaty they proposed to ask Germany to sign; yet we here are called upon to express an opinion with regard to those terms and conditions when we have had the documents in our hands but a few days. There seems to be a desire on the part of the Government to rush this matter through the House in a way that I do not think is altogether seemly in a matter of this kind. We have been called together here for the purpose of dealing with this Treaty, and as far as I know there is very little else with which we shall have to deal during this session. It would not have been unreasonable to give us as much time as was given in the British Parliament, where a statement was made by the leader of the Government on the 3rd of July, and the Bill that was brought in for the purpose of enabling the Government to supplement the powers and carry out the necessary details of the Treaty was not brought forward for a second reading until the 21st of July. Thus the members of the British Parliament were given the opportunity of thoroughly considering these important questions and of familiarizing themselves with the matter in a way that I have not personally been able to do.

Another objection that occurs to me is that before the members of the other House, who are the elected representatives of the people, have had an opportunity to express any opinion on this important question, the Senate is placed in a position of having to deal with this resolution and express our opinion on a Treaty which will in all probability impose large responsibilities on this country and require us to deal with matters with which we have not previously dealt. We are thus placed in a somewhat difficult position, because the members of this House are usually engaged more in revising legislation than in dealing with such matters at first hand, especially when such grave responsibilities are liable to be incurred by the country. For myself, I cannot see why there should be any necessity to rush through the approval of this Peace

Treaty in the way we are being asked to do at the present time.

If honourable gentlemen will refer to page 212 of the Treaty they will notice that in the provision for the ratification of the Treaty it says:

> A first procés-verbal of the deposit of ratifications will be drawn up as soon as the Treaty has been ratified by Germany on the one hand, and by three of the principal Allied and Associated Powers on the other hand.

Therefore the Treaty could have been ratified by three of the principal Powers, and we need not necessarily have been asked to deal with this matter in a hurry.

I do not purpose following the course pursued by my honourable friend, who has gone through the terms of the whole Treaty as it affects Germany, because personally I am not able at the present time to see exactly what the effect of the different terms can be. I realize that this Treaty has been drawn up by men who are thoroughly competent and who have had a great deal of experience in dealing with the question of this kind; and the wording of the Treaty needs to be very carefully considered to see exactly what bearing it has on the different questions. We must all feel great satisfaction that we have arrived at the time when we are relieved from the terrible strain of the war under which we have been suffering for the last five years, and can consider this question in the light of the work that has been done by the representatives of the countries who have been engaged for the last six months in drawing up this Treaty.

The principle of the League of Nations is one of which I think every one who has the interests of the world and the peace of the world at heart must thoroughly approve. The bringing together of the different countries to sign a Treaty engaging themselves to maintain the peace of the world is an enormous step forward in the progress of humanity. After various wars in years gone by attempts were made to bring about a condition of things whereby war would be abolished and peace maintained in the future; but no arrangement that has been made in the past has been of so momentous or so valuable a character to the peace of the world as the arrangement made in Paris this year. This Treaty can be made of real purpose and effect only by the peoples of the countries who are parties to it. At the present time this Treaty of the League of Nations as it stands is an expression of opinion of the representatives of the various nations as to the course of action that can be best pursued by them for the purpose of maintaining the peace of the world; but it will take a long time for the actual working out of the different articles of the Treaty to be thoroughly understood and the details so arranged that we can say exactly what the effect will be of the different articles, and the obligations and responsibilities that will be thrown upon the various countries who have signed the Treaty. The same is true of all treaties that have been made in the past. The only difference that exists in this particular case is, I think I am right in saying, that this Treaty is the first one that has ever been discussed in this way in the various parliaments of the nations who have drawn it up. The usual procedure heretofore has been that the terms of the treaties have been arrived at and agreed to by the rulers of the nations, the people of the different nations having had very little opportunity of discussing or approving of the actual terms of the treaties before they went into effect. As was explained by the Prime Minister of this country in another place the other day, we have been made a party to the League of Nations by our representatives at the Peace Conference; and it was claimed by the leader of the Government in this House that this country was placed in a more important position than ever before in regard to matters affecting the international relations of the British Empire. For that reason we are asked in this Parliament to give our approval to the terms of this Treaty, and in that way to bind ourselves to observe the consequences of the different articles of the League of Nations.

My honourable friend has referred to Article 10 of the League of Nations, and the responsibilities that it will throw upon this country. He has pointed out the position that Canada would occupy if she were in any way to decline to accept the responsibility that would be placed upon her shoulders by approving of this clause of the League of Nations; but he did not enlighten the House as to what were the responsibilities and liabilities that we would be assuming under that particular article of the Treaty. If honourable gentlemen will look at the terms of the Treaty they will find that we, being a member of the League of Nations, shall be responsible for those new states that are being brought into existence at the present time. We shall have to do our share in maintaining the independence of Poland; we shall be directly concerned in the arrangement between Italy and Jugo-Slavia, and shall have our share of responsibility in connection

with the various other nations that are being brought into being at the present time. This is an entirely new position to the people and the Government of Canada to be placed in. Heretofore we have considered that we had enough to do in looking after the interests and affairs of our own country, and developing the natural resources of the country. The responsibilities that will be thrown upon us in carrying out the terms of the Treaty may be very great. As one of the Dominions of the British Empire, we may of course be placed in the position of doing but a very small part and leaving a great deal of the work in Europe to be carried out by the representatives of the British Empire.

I had thought that we would have had some explanation from the members of the Government as to what they considered would be the relations between Canada and the rest of the British Empire in dealing with questions of this kind. As I understand this Treaty, it will be left to the Council of the League of Nations to tell the signatories to the Treaty and the members of the League of Nations exactly what part they will have to play in maintaining the peace of the world if any question should arise between the members of the League of Nations; but we have not had any explanation as to the responsibilities that we are liable to assume or the difficulties that we may have to meet and overcome.

For instance, there is a condition of affairs existing at the present time in the Pacific; I refer to the relations which have come about between China and Japan. China was asked to sign this Treaty, and, on account of the conditions that were laid down respecting the province of Shantung, she preferred to withdraw rather than to sign the Treaty of the League of Nations. She felt that she had not been fairly treated, and that she will have to make a separate Treaty with Germany if she desires to arrange peace. Canada declared war against Germany, and she will still be at war unless she makes terms of peace. We might be placed in a rather difficult position in regard to the position of Japan and China. If any difficulty should arise, Canada, being one of the Powers signatory to the Treaty, nearest to Japan and China, might have to take action; but at the present moment I do not think the members of the House can really say what our position would be.

There are a number of other responsibilities which will be thrown upon us in dealing with this matter. We shall have to supply our quota of men, our quota of ships, and our quota of money for the purpose of carrying out our responsibilities under the Treaty. If I understand the Treaty aright, our responsibilities will be fixed by the Council of the League of Nations, and to that extent our freedom of action in these matters will be controlled by the terms laid down by the Council of the League. This is a matter which my honourable friend did not express any opinion upon, and it is one that cannot, as far as I can see, be understood except by those who have taken part in the discussions which have taken place in Paris in the last few months. Therefore the average man who reads just the terms of the Treaty is not in a position to understand what these responsibilities may mean, and to what extent we may be involved in carrying out the terms of the Treaty.

My honourable friend has referred to the international arrangements made with respect to the question of labour. The difficulty of dealing with any question of that kind is that an international tribunal can deal only with general principles. The difference of conditions in the various countries makes it very difficult indeed to lay down any particular arrangement that can be applied to all the countries that are interested in this Treaty. The whole question of the relations of labour and capital is one which has a peculiar bearing in each country, and the problem of applying the principles adopted at the international conference will be exceedingly great, and will require a tremendous amount of discretion and work before the result which was evidently desired can be attained.

I do not feel that I am at the present time in a position to discuss further the clauses of this Treaty or the questions which it raises. We are certainly all in favour of the step that has been taken to establish the League of Nations, and in any remarks that I have made I would not wish to be understood as objecting to this Treaty, which has for its object the maintenance of the peace of the world. At the same time I do think that we were entitled to much more time for the consideration of its conditions, so that we might thoroughly understand what we are doing when we approve of the Treaty. In consequence of the way in which this matter has been pressed upon us and of the short time we have been given to consider the terms of the Treaty and make ourselves acquainted with the questions involved, and also because of the fact that we are asked to deal with the matter in a way which, to put it mildly, I do not consider

to be the most satisfactory, I desire to move, seconded by the Hon. Mr. Dandurand:

That all the words after the word "that" in the last line of the resolution be struck out and the following be substituted therefor: "that this House defer further consideration of the same till the 16th day of September instant."

Hon. RAOUL DANDURAND: Honourable gentlemen, I intimated yesterday afternoon that if the resolution was pressed this side of the Chamber would doubtless move for some delay in order to study the Treaty which was laid on the Table the day before. I still adhere to the opinion that we, the Senate of Canada, owe it to ourselves to adjourn this debate for a couple of weeks in order that we may do justice to the important compact which is before us in the form of this Treaty. My hon. friend (Hon. Sir James Lougheed) will not be surprised when I tell him that, although, like himself, I had read the summaries of the Treaty which had appeared in the press, I had reserved judgment as to the role which Canada was asked to play, until the whole document should be laid before us, for the very reason that I was convinced that the Treaty would first be submitted to the House of Commons, as it had been in England, so that the Commoners, the direct representatives of the people, might examine into it and pass upon it, and we should have the benefit of the discussion which had taken place in the other Chamber as well as the time to familiarize ourselves with the different clauses of the Treaty. That is why I stated yesterday that if my honourable friend insisted upon going on with the resolution we should be unable to do justice to the question as we might otherwise if granted the necessary time to study it carefully.

In the words which have fallen from the lips of the honourable leader of the House there is very little, if anything, to which I would object. He has made a general statement of the causes that led to the war and has reviewed the Treaty which is now submitted to us, and I have but to declare that with all the honourable gentleman has said I agree. We have at last attained peace. We all congratulate ourselves upon the triumphant result of the war During the war we felt that the culprit was in Berlin, that Prussian militarism was the main cause of the conflict, and that it should by all means be destroyed. We trembled at times and were weary during those five long years of war. At last victory has perched on the banners of the Allies, and we have been happy to have lived to see that day. After the Armistice was signed on the 11th of November it was the duty of the Allies to meet together and try to decide upon and dictate to the vanquished the terms of peace. We have made peace, and at the same time we have been trying to arrange for the maintenance of peace in the world—both ends equally important. Such efforts to organize a League of Nations and to insure the maintenance of peace have been carried on for centuries. During the last twenty-five years I have followed somewhat closely the efforts made by the various groups in the various nations of Europe and America to try to secure the maintenance of peace throughout the world. These efforts were mainly directed towards the limitation of armaments and the binding of the nations to the arbitration of international disputes. These two conditions seemed to be essential as guarantees of peace. But this could only come about through a general understanding. That understanding could not be reached because of fear and suspicion and distrust which existed amongst the nations, and, I may say, because of the persistent refusal of Germany to join with the other nations in endeavouring to find a common ground of understanding for the limitation of armaments and the setting up at the Hague of an international tribunal for the settlement of international disputes.

A great war has brought about conditions which afford a chance for the realization of these aspirations. It has destroyed a mighty military autocracy; it has liberated the enslaved; it has brought together an array of nations which are strong enough to insure peace if they stand together. To that end they have drawn the outlines of a League of Nations. They have seized the psychological moment. All honour to the Peace Conference and especially to Woodrow Wilson, who crystallized into a compact the aspirations of suffering humanity. The critics have called him an idealist, and that judgment was meant to place him among the Utopians. It would seem that after wading for five years through all the unspeakable horrors of an infernal war, one would welcome idealism. That idealism may lead us into dreamland; the League of Nations may fail; but surely we must not recede into sheer hopelessness and utter despair. The League of Nations offers a ray of hope: shall we refuse to try the experiment? The practical man, the man of blood and iron, has failed. I welcome the

idealist, and verily is his reasoning so vapourous? Did not President Wilson give us a very practical formula for the projected peace of nations when in Glasgow last spring he uttered these words: "By coming together we saved the world; by keeping together can we not ensure the peace of the world?"

It is not true that heretofore the nations have lived apart watching each other, suspicious of one another, plotting against each other to gain an advantage, territorial or economic, and each drilling its soldiers for defence or for offence? Threatening clouds would darken the horizon, and there was no constituted authority to turn the X-rays on the diseased body and to expose to light the cause of the disturbance. If we had had a League of Nations I venture to affirm that we could have been saved from the nonsensical Crimean war, from the humiliating war of South Africa, and from this cataclysm of August, 1914.

Perhaps it will be said that the Berlin abscess had first to be pricked. Let us not stop to look backwards except for lessons to guide our footsteps. This Treaty is now before us for our endorsation.

The difficulties which confronted the negotiators were so great that the peace terms must be accepted as the result of the combined wisdom of good men and true, who fell short of their ideals, but reached as high a standard as was humanly possible. The conditions of peace are satisfactory if it be true that Germany is being made to pay all that it can pay within the next hundred years.

We are entitled to reparation. It is said we will get nothing, as preferential claims will absorb every dollar of the indemnity. It is regrettable that one of the Allies has refused to sign the Treaty because it felt despoiled of its territory. It seems admitted on all sides that the fourteen points of President Wilson have failed of application in the handing over of the Shantung territory to the Japanese. We are told, on the other hand, that the Japanese have expressed their intention to satisfy on this point the Chinese Republic. Will that verbal promise satisfy our consciences? Otherwise we would be knowingly a party to the assertion of might over right.

The all-important matter for Canada is the opportunity of joining the League of Nations. Were our ministers justified in adhering to the League? We were not obliged to do so. They insisted upon signing the Treaty of Peace. Should they have persisted when the President of the United States succeeded in including the League of Nations Covenant in it? They had no mandate to that effect. It may be asked: what interest had we in it? what benefit will accrue to Canada from it? Sir Robert Borden answers that we have thereby gained in political status. Have we? Under what form? Is our autonomy enlarged? Let us see. Have we obtained co-equal rights with the British Parliament? Have we become the direct advisers of the King for Canadian matters in international affairs? If so, Sir Robert Borden, or the Canadian Cabinet, must have directly asked His Majesty to appoint Messrs. Doherty and Sifton as Canada's representatives. I doubt it very much. Those recommendations were surely made through the Imperial Cabinet or through the British Prime Minister. We have solely gained the appearance of nationhood, not the reality. We have assumed international obligations without obtaining in return an international recognition. We shall never be represented in the Council of the League, as the four representatives we could vote for will not be selected from the British Empire, which will already be one of the nine. I clearly see obligations of great magnitude assumed by Canada under Article 10 of the Treaty; and, since our self-appointed Cabinet ministers had obtained the right to appear in the Treaty and to append their signatures to this historical document, I will not reproach them for accepting it with the obligations comprised therein. They doubtless felt that Canada would not refuse to carry its share of the burden in assuring peace to the world. There are duties to humanity which all nations should jointly accept for the general good.

But I must surmise that Canada joined in that contract on the express or implied understanding that the "principal Allied and Associated Powers" were the main partners and leaders in the League to be formed. With that condition, which I deem essential, I have no objection whatever that Canada assume its share of responsibility in policing the world and contributing to the maintenance of peace, because that share would be compatible with its strength, and its associates would be a very great safeguard against the recurrence of war. With that condition we could reduce to a minimum our military and naval establishment.

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.

I will vote for the adjournment, first, because nothing presses us to act rapidly, inasmuch as our ratification is neither essential nor necessary; secondly, because delay will allow the Commons and the people to be heard; and, thirdly, because time will be given to all the principal Allied and Associated Powers to pronounce upon it. We are committing this country to tremendous responsibilities; what they will be the future only can tell. I feel that this Chamber, which is appointed by the Crown, and which has acted principally as a revising body, would be in a much better position to endorse this Treaty if some time were given for the Commons to study it, and for the people to grasp its purport.

Hon. Mr. POIRIER: Are we to wait for the Commons to form an opinion for us?

Hon. Mr. DANDURAND: No, we are to form an opinion for ourselves; but we now have a document presented to us which binds Canada to certain responsibilities for a number of years. It seems to me that we should follow the precedent set by the Imperial Parliament, and let the House of Commons, the direct representatives of the people, pass upon it before it comes to us. Great Britain was a month discussing the Treaty; France has been discussing it for a number of days, and is still discussing it; the Senate of the United States have had it before them for review for many weeks; the President of the United States has not felt it beneath his dignity to start on a long journey across the country to throw light upon it and explain it to the people; and it seems that the Senate of Canada would but do its duty if it adjourned the discussion for a week or two to afford the people of Canada an opportunity of hearing their representatives in the Commons, and of clearly understanding the various aspects of the question.

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 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.

Hon. WILLIAM ROCHE: Honourable gentlemen, I think the address of the leader of the Government is deserving of some notice from one who has not a legal mind, but who is perhaps on a somewhat similar plane to the great majority of the people of the country. I for one join with all those who express their satisfaction that peace has been declared, and has been committed to paper. Peace, so far as we are concerned, has been signed by the King of Great Britain. We are bound by his signature. As far as authentication, power, and authority are concerned, the signature of the King of England carries the influences and resources and wills of all the people of the King's dominions, whether they express their opinion favourably or whether they do not. The other nations look to the declaration of the King as one of the signatories, and his signature and his assent as binding upon all. That is a Treaty of Peace which, so far as we are concerned, is secure.

Have we peace? I have listened to the honourable gentleman who preceded me, and I ask the question, have we peace? Where is our late ally, Russia? Have we peace with Russia? I think I have read about an expedition advancing towards the capital of Russia, which is resisted by the people of Russia. We certainly cannot have peace with that great Power, which was our ally a short time ago, and upon which we relied, if we are taking the capital and combatting the people. Where is Turkey? Has Turkey joined in the peace negotiations? Is not a war going on between Great Britain and Turkey at the present time? The Balkan states are in the usual state of turmoil, in the state of war and hostility in which they have been I do not know how long, and in which they will continue to be, I fancy, until the millennium. The other nations outside of that have not signed the Treaty of Peace, and we are not at peace with them. Therefore when we talk about peace it is a peace

on paper; but, so far as we are concerned, and so far as the obligations of Great Britain and the other signatory Powers go, we are theoretically at peace, and we are bound by the action of the King of England.

My honourable friend spoke of Canada as a nation. When did we become a nation? Have we thrown off our allegiance to Great Britain? Has Great Britain thrown us off? The King of England reigns supreme. He makes treaties; he makes war; he makes peace. When were we accorded the status of a nation, and when did the other signatories or the other great Powers agree that our signature should count as one? I do not like that language.

I heard about our future aspirations in regard to the Prince of Wales being our Sovereign, as to his popular manners and warlike achievements, and a great number of other things. Our gracious King is yet a very young man. I do not think we should dispose of him in such a short time. I do not think we should depose the King right away from being our Sovereign, and become a nation for the mere purpose of getting a feather in our cap by signing a Treaty of Peace with Germany. But, with all that, I am happy that peace has been secured. Of course, the conditions were onerous, humiliating, crushing to Germany; but Germany has agreed to them, and we have nothing to say on her behalf.

I want also to ask this. Although the signatory Powers were very particular to disarm Germany and to reduce her navy, and to reduce to very moderate proportions the military force that she was to employ and keep under pay, to diminish her territory, to absorb all her colonies, and to take means to cripple and paralyze that power in the securing of peace, how many of the great signatory Powers reduced their armaments? How many have stipulated that they shall have only 20,000 or 30,000 men? How much have their fleets been reduced? What has become of the fleet of Germany that was handed over to some of the signatory Powers? The Powers have divided up the colonies of Germany in a very exemplary way, each one trying to get the most for itself. After the close of the Napoleonic war there was a combination of the greatest sovereigns of Europe. There were Austria, Prussia, the Emperor of Russia, the King of France lately re-established on the throne, who, under the auspices of the Holy Trinity, formed what was called the Holy Alliance. It was denounced by England. It was the origin of the Monroe doctrine in America. But what did they do? Within six months after the forming of the Holy Alliance for the pacification of the world and for securing the rights of kings, 123,000 Frenchmen invaded Spain and upset the Liberal Government that was established there. There has been no disarmament on the part of the great belligerent Powers of Europe.

There is along the Mediterranean already, in the Dalmatian and Adriatic district, the beginning of a conflict. Although Germany has been ejected from Morocco, and the territory there has been assigned to the ruler there—I cannot pronounce his name—France, Spain, and Italy all have aspirations along that shore of the Mediterranean. Their possessions and their objects of conquest are not very far apart, and war may break out at any time between those Powers which have the means, and may cause world-wide war.

It is vain to speak about what might take place between China and Japan, what might take place between other Asiatic nations, what might take place between Sweden and Russia, or between Spain and other nations. If the objective is to be universal peace, there ought to be universal agreement. I do not object to the nations meeting to formulate terms of mutual arrangement and suppressing these petty wars that are going on all the time. I am for peace; I have always been for peace. I think there was no cause for the war, and it would not have occurred if those nations that had taken part in it had determination and resolution enough to stay it. But they allowed the situation to drift; they allowed the war to go on because of the idea that war was inevitable, that it would come some day, and that it might as well come now. Although the nations were professing peace, yet they were watching one another; and every one of them was secretly arming.

Now, honourable gentlemen, I ought to say a word about the obligations we are assuming. I am not and have no pretension to be an international lawyer, as everybody knows, but I am firmly of the opinion that we cannot promise any contribution of money or men while we are a dependency of Great Britain. We owe our revenue to the King, we grant money to the King, the King raises the forces, and it is an act of independence, a throwing-off of our obligation to the sovereign, to promise to grant to the Council of the League of Nations that which we owe as an obligation to the King of Great Britain. Who does not remember that last session;

when the grant to the King was being made, the honourable leader of the House put in the Chair a member who declared peremptorily that the Senate had no right to interfere with gifts and grants of money, but that the Commons had the sole prerogative of giving and granting. How can we promise aid to the League of Nations, gifts and grants which are not put at all in our power, but which the Commons must grant? While we are a dependent British nation the King can give whatever he likes, and he can call on us for our contribution. We have no authority to grant that which we do not own. I do not know whether it would be an act of treason to propose such a thing or not, but if we had lived in the days of good old George III, we would be brought up before the King's Bench, every one of us.

With these observations let us turn our eyes away from Europe and away from the Far East. We will suppose that we accede to this proposition and that the Council of the League of Nations can call upon us as a nation, as a party to this pact, or whatever it may be termed—to this integral or subordinate part of the Treaty—to suppress an attempt on the part of some inferior nation go to war. Suppose that our good neighbours to the south of us should ignore the hand pointing towards manifest destiny, and should prefer to have their little squabbles amongst themselves; suppose that Mexico should resist the benign overtures of the United States to form part of that great country; suppose that they should resist by war an attempt to advance into their territory. Could we be called upon by the League of Nations to contribute our quota for the suppression of that war? There is a war undertaken by a small power, and we are bound to suppress any effort made by a power like that, or any small power, even to defend itself—on peace lines, of course. No nation ever annexes any small territory unless it is for the benefit of the people. It never has any idea of aggrandizement, never any idea of mines, nor of oil wells or mineral wealth or natural resources or anything of that kind; it is always for the good of the people, in order to prevent turbulence and distrust and revolutionary government and all that sort of thing. All these causes find favour amongst the great powers in suppressing anything like a revolutionary government or any effort to change a government. They always have in mind the great duty of preserving the peace of the world. It generally ends by the peace of the world being disturbed within some great nation, and that ends all their aspirations towards liberty.

Honourable gentlemen, I concur cordially in what has been said to the effect that sufficient time has not been given to us to consider this very voluminous Treaty. All that can be gained by the Treaty of Peace has been secured already. Our adhering to it or our differing from it cannot affect the action of the King of England in joining with the other signatories. We rejoice in peace as much as any one. We take part with those who celebrate the benign reign of peace. I wish I had the language of my honourable friend the leader of the Government in this House to express this opinion, that our sentiments of rejoicing in the restoration of peace are just as great as his, though not so eloquently expressed.

For the reasons I have adduced, and for many others which will occur to honourable gentlemen on reading the book which contains the Treaty of Peace, I am convinced that in the time to come the obligations to furnish men and money, burdened as we are at the present time, is a grave responsibility. A note of warning was sounded yesterday. Everybody feels the great financial burden, and why should we now embark upon a new enterprise involving the loss of many valuable lives and the contribution of a great amount of treasure, in our hampered state, when we can get along just as we are? We must try to pay off the debt, to relieve ourselves from embarrassment, and not to enter into world-wide complications which may land us in destruction and perhaps make us enemies of the great Power that we all revere and under which we hope to live.

Hon. F. L. BEIQUE. Honourable gentlemen, I have been able this morning to give some attention to the important Treaty which is before this honourable House, and, as I shall be unable to be present here to-morrow, I would, with the leave of the House, take the liberty of offering on the question of adjournment, which is now before us, the remarks which I propose to make, lest the adjournment may not carry and the debate may proceed to-morrow in my absence.

I feel, as I am sure every honourable member of this House feels, that this is a question of such importance that it should be approached without any political bias or opinion; and I feel the more so in that I belong to a generation for which it has been a great blessing to have survived the

great war. Whenever I saw or heard of an old man passing away, I pitied him for not surviving to see the attainment of peace and the victory of the Allies.

Attention has been drawn in the press to the fact that, as regards the Treaty itself, the Dominions are treated as part of the British Empire, and as forming with the rest of the Empire one entity only, and that, as regards the League of Nations, the Dominions are treated as separate and distinct entities from the rest of the Empire. Let us try to see what is the effect of this difference of status in the two cases. It will be noticed that in the first page of the Treaty the parties to it are mentioned. They are the United States of America, the British Empire, France, Italy, and Japan, these powers being described in the Treaty as the "Principal Allied and Associated Powers". Then we find the enumeration of Belgium and all the other small powers who, with the principal powers mentioned above, constitute the Allied and Associated Powers on the one hand, Germany being on the other. Canada does not appear there: Canada comes clearly within the British Empire. Then the document, after referring to the declaration of war in 1914, etc., proceeds:

> For this purpose the High Contracting Parties represented as follows:

The President of the United States of America, by the Honourable Woodrow Wilson and three or four other gentlemen; His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the seas, Emperor of India, by the Right Honourable David Lloyd George, M.P., First Lord of His Treasury and Prime Minister; the Right Honourable Andrew Bonar Law, the Right Honourable Viscount Milner, the Right Honourable Arthur James Balfour, the Right Honourable George Nicoll Barnes, M.P., and for the Dominion of Canada by the Honourable Charles Joseph Doherty, Minister of Justice, and the Honourable Arthur Lewis Sifton, Minister of Customs; for the Commonwealth of Australia, by so-and-so; and the same for all the different Dominions. What is the effect of this? It was a mere matter of courtesy to include the names of the various persons mentioned as representing the Dominion of Canada, the Commonwealth of Australia, the Union of South Africa, the Dominion of New Zealand, and India. Each of the Dominions appears as a part of the British Empire—only as part of one entity.

Now, if we turn to the end of the document we find the confirmation of what I have stated in this:

> The present Treaty, of which the French and English texts are both authentic, shall be ratified.
>
> The deposit of ratifications shall be made at Paris as soon as possible.
>
> A first procés-verbal of the deposit of ratifications will be drawn up as soon as the Treaty has been ratified by Germany on the one hand, and by three of the Principal Allied and Associated Powers on the other hand.

You see, honourable gentlemen, that the Treaty will come into force and be binding on all parties as soon as it has been ratified by Germany and by three of the principal Allied and Associated Powers. I mentioned a few moments ago who were the principal Allied Powers: they are the British Empire, the United States, France, Italy, and Japan. As soon as three of them have ratified the Treaty, Germany having also ratified it, the Treaty becomes effective. What is the consequence? The consequence is that, whether we approve of the Treaty or not, it comes into force and we are bound by it as a party to it. It is between the British Empire and the other powers mentioned that the Treaty is made, and it becomes effective for the British Empire, including the Dominion of Canada.

Hon. Mr. FOWLER: May I ask the honourable gentleman a question? Supposing that Japan, Italy and France were the only signatories besides Germany, would it not then follow that the Treaty came into force just the same, even though the British Empire and the United States had not signed it?

Hon. Mr. BEIQUE: Yes, surely it would; and then Canada, being part of the British Empire, would not be a party to the Treaty; it would not be binding on Canada. But I say that the moment the Treaty becomes binding on England, it becomes equally binding on Canada as part of the British Empire. Therefore, I say that our ratification of the Treaty is of no consequence at all. Whether we ratify it, or whether we refuse to ratify it, makes no difference whatever; the Treaty becomes effective in all its provisions.

I call your attention, honourable gentlemen, to the fact that the League of Nations is part of the Treaty, and therefore the moment the Treaty comes into effect, we as parties to the Treaty, being part of the British Empire, are bound by all the provisions of the League of Nations.

Hon. Mr. DANIEL: Does not the fact that Canada is one of the signatories to the Treaty give it a position and a vote in the League of Nations itself—a position which is not taken by other parts of the British Empire who did not sign the Treaty?

Hon. Mr. BEIQUE: I am just going to proceed with that very question.

We must not lose sight of the fact that the Covenants of the League of Nations are part of the Treaty; that the Dominions, as regards the Treaty itself, forming with the rest of the Empire one entity only, the Treaty does not call for any ratification on the part of the Dominions. The moment that it is ratified by the Crown, in the exercise of its perogative, it becomes binding on all portions of the Empire. I think I may say without danger of contradiction that, whether we like it or not, whether we approve or disapprove of the Treaty, or of the League of Nations, the moment the Treaty is ratified by the Crown it is binding on us, and we become members of the League, independently of our own action.

Hon. Mr. POIRIER: What would be our position if England would not ratify the Treaty and we did ratify it?

Hon. Mr. BEIQUE: We would not be in the League of Nations, because the Treaty would not come into effect.

Hon. Mr. POIRIER: If three nations signed it?

Hon. Mr. BEIQUE: I answer the question without hesitation. If we ratify and England does not ratify, we are not in the League at all, because the British Empire is not a party to the Treaty, and the formation of the League of Nations is only a part of the Treaty.

I again ask, what is the effect of the Dominions being treated as separate entities from the rest of the Empire? It is, first of all, that we are made contributories by the League of Nations for the sanction of its decisions. If the Dominions were not treated as separate entities, the Empire as represented by the British Government would alone be made contributory and each of the Dominions would be free in any given case to decide as to whether or not it would share in the contribution, whether in men or money, with the British Government; always subject, of course, to the right of the British Parliament in the exercise of its paramount authority to pass a law applicable to the whole of the Empire, and making the Dominions contributories as the United Kingdom, which in our days would be an extreme measure, and not likely to be ever resorted to.

Another effect of the Dominions being treated as separate entities is that we become members of the League of Nations on a footing of equality, so to speak, with the United Kingdom, and that, as regards all matters falling within the province of the League, we are subject only to its decisions, and, strictly speaking, independent of England.

Let me illustrate my idea. Article 10 of the Covenant says:

> The members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

Then Article 11:

> Any war or threat of war, whether immediately affecting any of the members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations.

I need not read the balance of the article. Article 12 says:

> The members of the League agree that if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or to inquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the report by the Council.

Article 13 says:

> The members of the League agree that whenever any dispute shall arise between them which they recognize to be suitable for submission to arbitration and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject-matter to arbitration.

Article 14 says:

> The Council shall formulate and submit to the members of the League for adoption plans for the establishment of a Permanent Court of International Justice.

Article 15 says:

> If there should arise between members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration in accordance with Article 13, the members of the League agree that they will submit the matter to the Council.

Then we come to Article 16. I read only the main portion of all these articles, as they are not of very great importance to the point I am making. But Article 16, taken with Article 10, is of great importance.

It says:

> Should any member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it shall ipso facto be deemed to have committed an act of war against all other members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a member of the League or not.

Suppose now that England should resort to war in disregard of any of these covenants, what would be the position of the Dominions? Would they not be called upon to decide as to whether they would side with England, disregarding thereby the covenants, and committing the Dominion or Dominions to a war with all the other members of the League except England, or whether they would respect the covenants and thereby remain in peace with the other members of the League and in war with England? That would of course mean the disruption of the Empire with the support of the League. This of itself shows the very great importance of the matter which is now engaging our attention, and it raises the question as to whether the interest of the Empire would not have been better served by treating the whole Empire as one entity only. The question is not now a practical one. The Treaty has been signed, and we are irremediably committed to its terms, unless we chose to withdraw from it under the terms of the last paragraph of Article 1, which says:

> Any member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations and all its obligations under this Covenant shall have been fulfilled at the time of its withdrawal.

If we did so, we would, I suggest, remain a member of the League as part of the British Empire, but not as a separate entity, and no complication such as those to which I have just called attention could arise.

This brings me to invite this honourable House to consider the advisability of either abstaining from making any approval or ratification, which, to my mind, is unnecessary, or approving the Treaty subject to further considering withdrawing from it under the paragraph of Article 1 which I have cited.

I desire now to consider the question from another aspect. Whatever may be the imperfections of the League of Nations, is it not, after all, the best means, or at least the best hope, of avoiding future wars? Composed as it will be of twenty odd different nations, possibly of thirty or forty, with amongst them such nations as the United States, England, France and Italy, is it not fair to believe that any nation, whether great or small, and whether a member of the League or not, will hesitate at doing any act which will make it at war with all these other nations? In other words, is the risk involved under its provisions, and especially the obligations resulting from Article 10, reasonably compensated by better guarantees of peace? For my part, I believe so. I doubt if the world could again go through another such war as we have seen. Apart from the losses in money and property and the disturbance of economic conditions, I am afraid that, with the progress in science which naturally is taking place all the time, it would prove far more destructive of humanity. No efforts, therefore, should be spared, whatever the cost, to avoid it.

To sum up these few remarks, the Dominions are, by virtue of the Treaty, bound by its terms and members of the League of Nations. Their approval or disapproval of the Treaty will cut no figure; it cannot change or affect their position in the least. The only matter left for practical consideration is whether or not we should remain members of the League as a separate entity, or should withdraw as such and remain a member only as part of the British Empire, which we can do at any time.

At six o'clock, the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. LEGRIS: I wish to inquire of the honourable leader of the House whether he can explain why the French version of the Treaty is dated June 20, while the English version is dated the 28th?

Hon. Sir JAMES LOUGHEED: I fancy that precedence must have been given to the French version by some eight days. That is the only explanation I can offer. I do not know.

Hon. GEORGE W. FOWLER: After the very eloquent and forceful address that was made by the honourable leader of this House—a speech which covers the ground completely, and which from every standpoint was unanswerable—it seems scarcely worth while to make any effort to reply to the feeble attempts of honourable gentle-

men opposite, which were so pitiful and pitiable.

The honourable leader of the Opposition has my deepest sympathy; that is earnest and sincere. He has my deepest sympathy because his desire to follow the dictates of his party were so at variance with the dictates of his heart that necessarily he failed to make any impression. I am sure that the honourable gentleman rejoices with the rest of us that there has been concluded with Germany a Treaty so advantageous to the Allied Powers and so detrimental to Germany's pre-war desire for the domination of the world, I am sure that the honourable gentleman rejoices also that this League of Nations has been formed for the purpose not only of imposing conditions on the enemy, but also seeing that these conditions are carried out.

My honourable friend the leader of the Opposition found only two points in this Treaty that were objectionable. One was that it was new. Well, it was a new war; therefore it would require a new Treaty to conclude it. But "new"!—that is to be an objection by the leader of a Liberal Opposition! Shades of Gladstone and John Bright! When did a Liberal ever object to anything because it was new? That, one would think, would be reserved for the hard-shell Tory, not for the leader of an advanced Liberal party such as occupies the benches on the opposite side of this House, with particular accent on the "advanced."

He said also that the labour part of the Treaty was very difficult, and that was an objection. It seems to me that the same answer that applies to its newness would also apply to the difficulty of that portion. What kind of statesmanship is it that objects to tackling a thing because it is difficult? All the more reason why the utmost wisdom and statesmanship should be brought to bear in order to work out a difficult problem and to bring about that happy condition of affairs in which labour and capital shall each have its proper share of this world's goods.

We had also a speech from the honourable gentleman from De Lorimier (Hon. Mr. Dandurand). He does not object to this Treaty at all. I am glad to see that he does not object to it. But he asks for delay. Delay for what? Delay for time in which to inform himself with regard to this Treaty. Why, where has the honourable gentleman been all summer? Did he go on that projected trip to Hudson bay?

Hon. Mr. DANDURAND: In New Brunswick

Hon. Mr. FOWLER: Was he fighting the mosquitoes along the shores of Ungava? Was he trying to decide that vexed question, that immense problem, "Under which King, Bezonian?"—Churchill or Nelson? Surely he could not have been in Montreal, the commercial metropolis of the country, that centre of civilization and intelligence; because if he had been there he would have been reading the papers, or if he did not read the papers, when he went to the corner grocery to buy eggs for his morning meal, the grocer would have told him what was going on at Versailles, and he would surely have had some knowledge with regard to this Treaty. I cannot believe that the honourable gentleman is so ignorant as he claims to be. His professed ignorance is too great a strain on our credulity. I would not like to say that the honourable gentleman is as wise as he looks, because he would have all the wisdom of Solomon if he were that wise; but I do say that he has more knowledge than he professed this afternoon to have with regard to this Treaty. Surely he knew that the plenipotentiaries were sitting at Versailles, and surely he saw what was going on there. Surely he has seen the discussion in the newspapers during all this time. He knew all the essentials of the Treaty long before he came to this session. He watches very carefully over the United States, as he intimated to us this afternoon. He has a very particular eye to what is going on in the United States, and he wants us to be careful to watch the United States. He says to us: "Supposing the United States do not ratify this Treaty? why don't you look to see what the United States is going to do before you ratify this Treaty?" I will ask the honourable gentleman a question: did we ask what the United States were going to do in August, 1914?

Hon. Mr. BRADBURY: No, we did not wait for the United States.

Hon. Mr. FOWLER: We did not wait for the United States in 1914, when Germany let loose her hell-hounds on the borders of Belgium, but we sent a contingent, the largest army that ever had crossed the Atlantic up to that time. That army was trained, or at least partially trained, and embarked in six weeks from the time of the declaration of war. Honourable gentlemen, we set the pace in war. Let us by our early ratification of this Treaty set the pace in peace.

My honourable friend says that the League of Nations is a ray of hope. It is a ray of hope. It is a ray of hope to those

people who are hoping at last war is ended. My honourable friend would obscure that ray of hope or would delay it? If he has that opinion of the League of Nations, why does he not come forward whole-heartedly with his party behind him and pass this resolution without dissent? "No mandate to sign." No mandate to sign? Why, the honourable gentleman has no memory. Does he forget the election in November, 1917?

Hon. Mr. DANDURAND: December.

Hon. Mr. FOWLER: In December, 1917. I see he does not forget—he does not forget the date. I am glad to have the correction; it shows that this is a matter that lives in my honourable friend's memory. An overwhelming mandate was then given to the Government to prosecute the war to a successful termination and to do everything that was necessary for the conclusion of the war, and the Treaty of Peace is included in that mandate if anything is included.

My honourable friend says we should wait for the Commons. Wait for the Commons? Are we in this Chamber to be deprived of our initiative? Do we have to wait for the Commons before we can pass legislation? Since when have we become subservient to the Commons? I think that the Commons will not feel aggrieved if we pass this resolution to-night, as I trust we shall.

Another honourable gentleman on the other side spoke—the middle member for Halifax (Hon. Mr. Roche)—for he is neither the senior nor the junior; therefore I term him the middle member. He made a speech. I do not know what he was driving at. He was a sort of Cassandra prophesying all sorts of evils to come. His speech was full of historical inaccuracies and misstatements of current facts.

Hon. Mr. ROCHE: Name some of the inaccuracies.

Hon. Mr. FOWLER: He spoke of disarmament. Only Germany had been disarmed, he said, and there was almost a tremor in his voice, and I thought I could distinguish a tear in his eye, as though the tenderness towards Germany of which he had once been accused was still in his breast, as though looking upon her he would say: "Poor Germany! Dear Germany! Despite thy faults, I love thee still." Nobody else disarmed? Does he forget that Canada has disarmed about 400,000 of her armed men, that England has disarmed her men by the millions, and that France has done the same thing? Yet he pleads for poor Germany, that nobody has been disarmed but her. That is about all there was to the honourable gentleman's remarks.

Now we come to the honourable member for De Salaberry (Hon. Mr. Béique). With his usual candour—shall I say?—he first disclaimed any political bias in this matter. Of course, we believe him, as we always do. We have heard him disclaim political bias on other occasions, particularly when in the Railway Committee Canadian Pacific railway matters were up. To use a French saying, to hear him disclaim political bias, it is to laugh.

Hon. Mr. McSWEENEY: Where was the French in that?

Hon. Mr. FOWLER: He says that this signing on the part of Canada was a mere matter of courtesy. A mere matter of courtesy? Well, the race to which he belongs has always been famous for its courtesy; therefore I should think he would be the last to object that Canada had been shown the courtesy of being permitted to sign this famous document, the most famous in the history of the world.

He says that of the five great Powers who were on the Allies' side in this war—Great Britain, France, the United States, Italy, and Japan—if any three, with Germany, sign the Treaty, it becomes effective. That was the honourable gentleman's statement. In that case, if Italy and Japan and France had signed the Treaty, it became effective; therefore the signing of Great Britain would be a mere act of courtesy and unnecessary, and the signing by the United States would be the same, if that statement is correct—and I take it to be correct. So, after those other Powers had signed the Treaty we would be on exactly the same plane as would be the United States and Great Britain.

He asked the question: "If Great Britain breaks this League and Covenant that she has entered into, what is Canada's position when she also is a signatory?" Can anyone conceive that Great Britain, whose name is a synonym for all that is honourable and fair and just and right, would, without cause, without sufficient cause, without great cause, break a solemn covenant that she has entered into? You can ask any sort of a hypothetical question you like; but the thing is absurd on the face of it. What would be the position of Canada if the honour of England demanded that she should withdraw from the League? I am satisfied that Canada, as a loyal member

of the Imperial family of nations, would stand by Great Britain, which is but her elder brother in that family. We have at last reached nationhood; we are one in a family of nations. We are one in a partnership of nations, and Great Britain is but the senior partner in that partnership. That is the position we occupy in Canada to-day. It is a proud position, a position that we have earned by the tremendous sacrifices we have made; a position we have earned by the shedding of the blood of our sons who have fallen in the war on behalf of justice and right against despotism and tyranny. That is what we have earned, and that is what we have received. Let us get away from political bias. I see a smile on the face of my honourable friend from Moncton (Hon. Mr. McSweeney). Whenever any such sentiment is expressed, a cynical smile always distorts the scarcely handsome countenance of the honourable gentleman.

Hon. Mr. DOMVILLE: I smile also.

Hon. Mr. FOWLER: I care not. There are men in this House who have hearts to which to appeal, and those are the men to whom I appeal, and not to the honourable member from Moncton.

I say let us get together and let us deal with this matter whole-heartedly, so that we may take a step forward towards that time, the millennium, when wars shall be no more and right and justice shall reign triumphant throughout the world.

Hon. JAMES DOMVILLE: Honourable gentlemen, it was with pleasure that I listened to the statesmanlike speech of my honourable friend from Sussex (Hon. Mr. Fowler). On the stump, you know, it would be a very good speech; the action was good. Demosthenes was asked: "What is the first requisite of an orator?" "Action." "What is the second requisite of an orator?" "Action." What is the third requisite of an orator?" "Action." When you are before a crowd this action wins for you; but when you are before a deliberate body like this—I think both sides are agreed to discuss this question from an independent standpoint without any heroics or without any calling up of all sorts of animosities—it is what you say that counts, not the action. I do not want to say very much about my honourable friend's speech; I think it is a good after-dinner speech, very good.

As I see it, it is only open to us now as representatives of the Dominion to criticise this Treaty; we cannot go any further.

Before going any further I should like to express the pleasure with which I listened to the leader of the House. His speech was a very eloquent one and covered the ground very well from his standpoint, and I am not altogether convinced. I listened also with a great deal of pleasure to the speeches of the honourable gentleman from De Lorimier (Hon. Mr. Dandurand) and the honourable gentleman from De Salaberry (Hon. Mr. Béique). But we are to criticise, and I want to do it in a way that will carry some weight outside of the House rather than here, where some of us may be carried away by excitement or a feeling of loyalty. We all know what loyalty is: it is the last refuge of a scoundrel. So Dr. Johnson says. It is like the old woman in the street having a row. Her daughter said, " Call her a —— before she calls you one; get in first." Josh Billings said:

> Thrice right is he who hath his quarrel just,
> But four times he who gets his blow in fust.

When we come down to criticism, I for one doubt the wisdom of our being liable to be embroiled in European complications. They got into a war; there was no doubt where our duty was, no doubt of what we had to do. I think Canada did her duty without any hesitation. She sacrified both of her children and her wealth, and she is to-day still loyal to the Empire, and she is not sorry that she entered into the struggle and did her part. But, should we have got into it?

My honourable friend has talked about the statesmen of England. Is one statesman going to run this country? Is he going to run the whole world? Is he superior to the leader of this House in brains or intellect? Why should they dictate to us and tell us what our duty is? We know our duty. It is our duty to be loyal and to support the Empire; it is our duty to help so far as we can the British race; but that does not mean that we should be a party to the mistakes in statesmanship they have made. Why did we give Heligoland to Germany? They armed it. It is mentioned in this Treaty. I have not had time to read the Treaty and do not intend to read it. The job is over and we have to swallow it, good, bad or indifferent. Why did we give Heligoland to the Germans? They have destroyed our ships and injured our trade. Why did we give Heligoland to them? If that was far-seeing statesmanship, why did we not have an army? Why did we have, as the Kaiser called it, "a contemptible little army?" He saw that we had only about 135,000 men, and my honourable friend knows that they very soon get used up in a struggle

like that through which we have just passed. With all its statesmanship England had to fall back on what India and Australia and South Africa and Canada would do. If they had had any real statesmanship in England they would have had such an army as Germany had, knowing that the war was coming. If they saw the difficulties, why did they not prepare to meet them? Why did they close the door when the horse was gone? I say the statesmanship was bad. I say, with due deference, that Sir Edward Grey, who is claimed to be the greatest statesman of the age, is the worst I ever knew. He dictated the policy of the state, and it was his ipse dixit that laid out the destiny of the Empire. Lloyd George came to the front as a common-sense man, a workingman, a man of the people; and he brushed aside as far as he could all the impediments there were in the way, and said, "We must stand up for the Empire," and he did his work nobly and well. He will stand and shine in British history and the history of the world forever.

Now, why should Canada shove her nose into the matter? As has been illustrated to-night, Canada having signed that Treaty, we are a part and parcel of it by dummy representation, if we might so call it, and we have to contribute—we have no option. Our royalty will call upon us to work in with the Motherland. We would have done it anyway, even if we had not been made part and parcel of that meeting at Versailles. The fact that England was in trouble would have been enough. Canada would have been just as loyal and would do in the future as she has done in the past. Therefore we may fairly ask, who gave our statesmen power to go to England with all their staff and this and that and the other, incurring vast expenditure of our hard-earned monies? It would seem almost that the affairs of Canada were secondary to themselves; it would seem that they had lost their heads, believing that they were the great "I am" of Canada, that the Canadian people had nothing to say. They had no mandate to go to England to get into the swim in some way and have honours bestowed upon them.

If Canada is placed in such a position that, in future, she has to join in with nine other nations in the Council, has to do as she has been told, then the people may say, "Where is it going to end? Are we to do everything they say? Are we to pour out our treasure and our blood—why?" Because of a European policy to which we are not a party. We certainly gain something. The German fleet has been destroyed, their army has been reduced to nothing, and Alsace and Lorraine have been ceded back to France. But we must not lose sight of the fact that in the olden days Germany really owned Alsace and Lorraine before the French; that is a matter of history. We have reduced Germany, but we have not hanged the Kaiser yet; we have not tried him. I think reference might have been made to that. That is what we desired to do with him. If he is a malefactor, should he not meet his fate like any one else in that position? Now he seems to be lost sight of, and there are sinister reasons, we might assume, why that is so.

The future of Canada must depend very largely on itself and on the assets that we have got. East and west we have our granaries and our fisheries, and they have got to contribute, and largely, to meet the cost of this war. They are great now, and they will be greater still when we can get rid of the weight that is now upon us.

We must not lose sight of the generosity of England to us. She was very generous. What about the Ashburton treaty? What about the Washington and Oregon business? What about Alaska? What about the fisheries? But we were subservient, loyally subservient, when they needed us; how much have we gained from them, and how much have they gained from us? No doubt the answer will be that we must put up with everything—it is the part of a great nation. So it is; but they have never been very anxious in our interests. What about the yellow peril, which I objected to in this House, and still object to? We would not allow the East Indian to land in the West. What about the Chinese? They could not come there, and yet to-day we are making treaties with them. Under these treaties are we going to bar them out, because they provide cheaper labour and are a people who, perhaps, may be undesirable? They are all undesirable in their way.

What will the country think? What will the country do? The man who has to pay the taxes is going to inquire why he has to pay them. There is no question about that. If we are to be bound by the ipse dixit of nine men in Europe, where is the liability going to end? May it not bring about dissatisfaction and largely endanger our connection with the Mother Country? We shall have passed away ten or fifteen years hence; new men will have come to the front, and the story will be forgotten. The man who shook hands with the Prince of Wales will be

forgotten, and the people will want to know how they stand and how they are going to get out of the difficulty they find themselves in. If this Treaty is binding, every time we are dragged into a war in Europe or anywhere else we will have to find the men and money. Do you suppose that things are not changing so that public opinion will not rebel against that? Labour has to be reckoned with: that is a most important factor. Then there are the women : they are going to have votes, and if they do you will have to reckon with them. Then there are the temperance people and many others to be reckoned with. When an election takes place all these factors will have to be dealt with.

How are you going to meet that situation if you pass this resolution? No doubt it will be passed. We may criticise the Treaty, but there is nothing else to do; it is not policy that we should reject it. If our leaders in England bind the whole country, let the responsibility rest on them. If we made a bad bargain, and this country is involved and put in a position that it should never be placed in, we cannot afford to go back on it. My honourable friend on the other side said that we could not afford to stand in the world as cowards and unwilling to carry out our bargain; we must stand up with the nations of the world when we have been committed by this Treaty. There is too much nation playing about it. Canada is a vast country. Some day we shall be perhaps the greatest country in the world. People will come to Canada by degrees when they find out its more favourable aspects, when they can look to it as a happy hunting ground where they can raise their families and not be crowded by adverse legislation, then Canada will fill up.

I am sorry to observe that such a feeling has been aroused between the provinces. When I left St. John the other day questions of race and religion were being raised. Is that right? Does that prove anything? It proves no more than was proven by the elections that took place the other day. Reference was made in the House, I think, to what was done at the polls. Well, I would bury that subject if I were they; I would not go much into that. People were crazy. It was a good political move on the part of the Government to sustain themselves in power. The women could not be controlled. They went all around howling. To-day they are not doing it. They see the mistake they made, and they see that they were led by the nose—that a red herring was drawn across the track. But you cannot go on in that way forever; you must come down to the point as to the assets of Canada and what Canada can do on her own hook. Canada can play her part, and must not be led aside by politicians of the hour who want to gain some notoriety, decorations or something else. Our problem will come down in the not distant future to the question of the workingman. He requires a fair day's wage for a fair day's labour. He must be dealt with honourably. What should concern us here when we are legislating is to see what we are doing to improve the condition of the people—how we are helping them out.

Canada's adherence to this Treaty may be good advertising and may bring capital to this country, but that is only a question of business and not a question of patriotism. The dollar follows the flag. Wherever the flag waves the dollar is. They go together.

My honourable friend from Sussex (Hon. Mr. Fowler) no doubt has his way of thinking, and I have my way. So far as I am concerned, I intend to stand by that Treaty, but that does not blind my eyes to what was done and what should have been done. A story is told of the smuggling of gin at Yarmouth in the old days. The collector would go on board the ship and lie on the sofa; he would have a bad day. A twenty-dollar doubloon would be put on each of his eyes while he was lying there, and when the gin was out he would get up and he had his two twenty-dollar pieces. He was blinded with gold. Now, we must not be blinded by such things.

My honourable friend referred to the last election. I am sorry he did. I do not want to say anything unkind, but we read in the paper of votes having been placed here, there, and everywhere. I do not say so, but the papers do. The statement may not be true. Still, if you turn to the Parliamentary Companion, you will find the result of the vote in this country and that, after the votes were counted in full, the overseas votes were added. I can give you the instance of one constituency where a thousand votes were put in. It was necessary—absolutely necessary; those in power had to save themselves in order that they might participate in the negotiations which were going on in the United States and which would redound to their credit.

Let us consider all the best statesmen. Look at Sir John A. Macdonald, a great man who has passed away; or Mr. Alexander Mackenzie; or our lamented friend

Sir Wilfrid Laurier; or others who have passed away. Their actions remain. The line of conduct that they pursued will forever stand before the country. Nobody ever accused Sir John A. Macdonald of being a traitor. Nobody ever accused Alexander Mackenzie of being a traitor. They had their fights as between the ins and the outs. But, as I have just said, what Sir John A. Macdonald has done —for instance, in helping to bring about Confederation and in connection with the construction of the Canadian Pacific Railway, that vast system of railways that has built up this country—those works will stand as a record. But the speech of my honourable friend, or my own, will never be heard of nor seen. I very much doubt that it will even be mentioned in the paper to-morrow morning.

I do not think there is very much more to be said, except that I dissent from our being put into a hole. The Treaty has been made and now we have to accept it.

Some persons went to France and received pay, although they did not earn anything. I noticed in the paper the statement that there were on the pay-roll 30,000 men who never did anything at all. But they were patriotic. They got their promotions and got their money. It was part of the game, well played as far as it went, but such affairs will not stand before the people of Canada. They will review the whole situation. It makes very little difference to me, because I am not looking for honours or for anything. In fact, owing to my health, I should not be here. But I am here to give my vote with the Government on the question of the passing of the Treaty. There is absolutely nothing else left for us to do. I do not like all the details, and I do not suppose any of us like them all. Still the contract has been made and, as we are now asked to assent to it, we must do one of two things: either accept it or refuse to accept it. If we do assent, we might make the plea that we do so under urgency, and while we are willing to stand by Great Britain and the Empire, yet we do not like to have anything forced down our throats.

My honourable friends opposite may claim that what was done in England was done on our behalf. It was not. We could not know what the representatives of the Government of Canada were going to do, and we gave them no power to do anything. But what has been done has been done, and there is no use in complaining of it. I think that the sooner this vote is taken the better, and we should not appear before the United States and the rest of the world as fighting over small issues and in an unstatesmanlike way. We should show the world that the Senate Chamber of Canada is composed of statemen who, while having their differences, still know how to do their duty and will do it.

I trust my honourable friends on this side will view the matter as I do: the sooner we get rid of this thing the better. We have to accept what has been done, and we may as well accept it with good grace, rather than have it thought that we were forced into acceptance. Let the world know that we are standing shoulder to shoulder with the Empire and willing to do our part. Then we can fairly say to England, "Now is the time for you to do your duty." I do not look upon this Treaty as very heartbreaking anyway. I forget who said, treaties were made to be broken. We have had many treaties.

Hon. Mr. McSWEENEY: Scraps of paper.

Hon. Mr. DOMVILLE: Yes, scraps of paper. As you know, families sometimes agree very well for a time and then have a falling out. We may yet have to fight some of the Allies. What have we to do with Rumania? What have we to do with the Serbs and all the rest of them? What we have to do is our duty to the Empire, and, better still, our duty to Canada, rather than be forced into some ridiculous position in which we have no right to be, because somebody proposes to teach us what patriotism and statesmanship are. Now, as I have said, I do not take much stock in this Treaty because it is, after all, only a scrap of paper, and conditions may be so changed in a few years that the present arrangements may be destroyed and we may have to adopt a new basis. However, we have gained one thing from all that our country has done: we have brought the Germans to their knees, and it will be a long time before they can recover their former position—perhaps never.

I am sorry to have trespassed so much on your time, and I trust I have said nothing offensive in the remarks which my honourable friend from Sussex has spurred me to make.

Hon. Mr. FOWLER: I apologize to the House if I did.

Hon. G. D. ROBERTSON: Honourable gentlemen, you will all share with me in the regret that the honourable leader of the Government in this House did not see fit to deal with all features of the Peace

Treaty. I desire to join in the compliment paid by the honourable member from Sussex (Hon. Mr. Fowler), for I enjoyed and was deeply interested in the very clear and forcible exposition of the Peace Treaty and its provisions which the honourable leader of the Government laid before us this afternoon; but I regret that he did not at the same time deal with the Labour convention contained in the Treaty. That convention is in my opinion a very important part of the document. It would appear that those who convened at Versailles and discussed and drafted this Treaty regarded the Labour Convention as the fundamental principle underlying the Treaty, for it is stated in the preamble of the Labour convention:

> Whereas the League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based upon social justice.

In order that permanent peace, based on social justice, might be established, undertakings were entered into by the various nations, members of the Peace Conference and the League of Nations, to provide means whereby social justice, and therefore permanent peace, shall be assured.

However, before venturing to discuss briefly the Labour Convention, I should like to reply to one or two statements which have been made, and which make it appear that some honourable gentlemen are in doubt as to the status of Canada among the nations subscribing to the Treaty and as to whether or not the plenipotentiaries representing Canada and the Government of this country were duly authorized and competent to act as signatories to that great document.

I think, honourable gentlemen, that all the people of Canada, regardless of racial or political affiliations, have approved of the sentiments expressed by public men and the press, that Canada was year by year growing in strength and importance and in the confidence of the mother of Parliaments, and was from year to year increasing in prestige and obtaining wider liberties and extensions of our powers of self-government from the Mother Country. As far back as the time of the jubilee of Queen Victoria, increasing recognition and respect were shown for this country when its Prime Minister visited London. Since that time, on several occasions, the Prime Minister of this country has been similarly honoured, and through him the Dominion of Canada. When the great war came Canada had grown during fifty years from a child to a stalwart young man, and when the Mother Country was in need of assistance Canada did not fail in its duty, but performed a manly part. When the war was over it became the duty of the nations involved in it to sit around a table and work out a Treaty of Peace. The representatives of Canada felt that Canada had earned a seat at that table, and, when some objection was raised to Canada's being represented at the Peace Conference, the Prime Minister of England stated very definitely to the gentlemen who raised the point: "Canada has lost more men in the war than your country, and therefore in my opinion she is entitled to representation at the peace table."

It is, I think, true that His Majesty does not seek formally to ratify the Peace Treaty on behalf of the British Empire until the Parliaments of the various Dominions have given their approval. Thus the Canadian Parliament enjoys in the mind of His Majesty a prestige equal to that of the Parliament of Great Britain itself. I think there is no doubt in the minds of the advisers of His Imperial Majesty but that Canada ought to have the right to join in the making of the Treaty and in approving it, and, I am proud to say, in the responsibilities that must necessarily devolve upon all the members of the League in maintaining its provisions.

It was stated this afternoon, in the discussion of the resolution before this House, that by endorsing or approving of the resolution we should be incurring a serious responsibility. I think, honourable gentlemen, that that is not quite the correct view. It is one thing to give approval to a resolution and it is another thing to enact a law, and, until the legislation which will likely be brought down has been introduced and dealt with in the House of Commons and submitted to the Senate, I think that we are not definitely committed, but only give our approval to the basic principles that are outlined.

The honourable leader of the Government very ably and in detail, I think, opened the eyes of all of us to the tremendous obligations that were imposed upon Germany when she agreed to the terms of the Treaty; and yet, while those obligations will be very onerous, there is no doubt that they are not adequate or sufficient to compensate fully for the crimes that she has committed. In this connection, those who might suggest that the treatment accorded to Germany had been harsh might ask themselves what would have been the result had the victory been on the other side. The obligations that

she would have imposed upon the Allies would probably have been much more onerous and severe than those which now rest upon her. Mature consideration and calm judgment on that question must bring us to the conclusion that justice has characterized the judgment of the gentlemen who drew up this Peace Treaty and have required Germany to accept it.

Prior to the outbreak of the war there existed a widespread feeling throughout what might be termed the civilized nations that the time had arrived or was approaching when universal peace would prevail, when nations would avoid resort to arms, and would settle disputes by agreement or by arbitration, and the workingmen belonging to the various labour organizations, national and international, had high hope that the desired goal would be reached, because history seemed to indicate to them that wars always brought greater suffering and sacrifice to the poor man than to the rich. Nevertheless, when this war broke upon the world the workingmen of all nations did their part, and, as time went on and they realized, more fully than ever before, the truth that the hardships, the sufferings and the sacrifices bore more heavily upon them, they emerged from this war more than ever determined that steps should be taken, by themselves if necessary, if by no other means, to attempt to preserve international peace by agreement. Therefore, about the same time or a little prior to the convening of the Peace Conference there was held an International Labour Conference, and certain principles were drafted and submitted to the Peace Conference with an urgent request that they be favourably considered and adopted. That plan was followed. The result of their deliberations was submitted to the Peace Conference; but their recommendations were not adopted, and it appeared as though the Labour Convention was not likely to be included in the Peace Treaty or adopted by the League of Nations.

It then became for a short time the all-absorbing topic among labour representatives here and in Europe, and received a great deal of attention from the peace plenipotentiaries themselves. Later, some five or six amended drafts of the Labour Convention were made by representatives of the various nations. And finally, in order to make a last effort to reach some conclusion that would be reasonably satisfactory to all, the Prime Minister of England requested the Prime Minister of Canada to take this matter in hand and see what could be done; and the result, due to the labour of Canada's representatives and peace plenipotentiaries, was the sections of the Peace Treaty as shown on page 193 and subsequent pages, known as the Labour Convention, which, perhaps more than any one other thing, assured the success of the League of Nations and the preservation of the peace of the world for future years.

In future years history will reveal the fact that the magna charta of labour, which is to bring to labour throughout the civilized world greater liberty and freedom, and a fuller degree of justice than it ever enjoyed in the past, was brought to it because of the insistence of the delegates from Canada at the Peace Conference. If you turn to the record I think you will find that the insistence went even to the length of indicating that if the Labour Conventions were not included in the Treaty, and the agreement entered into by the various nations, it was doubtful if the League of Nations itself could or would survive.

It is hoped and confidently expected that the industrial life of the various nations of the world will be carried on more smoothly in the future than in the past. It is confidently expected that the spirit of co-operation between employer and employed, with the approval and sanction and support of Governments, will be more manifest than ever before, now that machinery has been provided whereby this spirit may be intelligently promoted and carried out.

I shall not presume to weary the House with an attempt to explain all the various articles included in the Convention, but shall merely refer to a few of the principal ones. It is proposed in Article 387 of the Convention that a permanent organization should be established, and it was at that time established, for the promotion of the objects set forth in the preamble. The objects set forth in the preamble were, first, to establish a universal peace; and inasmuch as such a peace could be established only if based on social justice—

> And whereas conditions of labour exist involving such injustice, hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required: as, for example, by the regulation of the hours of work, including the establishment of a maximum working day and week, the regulation of the labour supply, the prevention of unemployment, the provision of an adequate living wage, the protection of the worker against sickness, disease and injury arising out of his employ-

ment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers when employed in countries other than their own, recognition of the principle of freedom of association, the organization of vocational and technical education, and other measures.

Following on that preamble definite principles were laid down which it is the duty of the Permanent International Organization to undertake to promote and cause to be adopted in all the countries which participate in this agreement. Among these principles the following seem to the high contracting parties to be of special and urgent importance:

First.—The guiding principle above enunciated that labour should not be regarded merely as a commodity or article of commerce.

Second.—The right of association for all lawful purposes by the employed as well as by the employers.

The adoption of these two principles, honourable gentlemen, even in Canada at this time, will eliminate very many of the disputes that are from day to day arising. The two things that have heretofore caused a very large proportion of the labour disputes in Canada have been, first, the failure of the employer to recognize the right of his employees to deal collectively with the employer, and, secondly, that the labourer was regarded as of value only to the extent of his earning power and not because he was a man.

The third principle referred to is:

The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.

Necessarily that standard must vary in different countries.

The fourth principle is:

The adoption of an eight-hours day or a forty-eight hours week as the standard to be aimed at where it has not already been attained.

Fifth.—The adoption of a weekly rest of at least twenty-four hours, which should include Sunday wherever practicable.

Sixth.—The abolition of child labour and the imposition of such limitations on the labour of young persons as shall permit the continuation of their education and assure their proper physical development.

Seventh.—The principle that men and women should receive equal remuneration for work of equal value.

It is probably within the knowledge of all of us that that has not been the established practice in most countries.

Eighth.—The standard set by law in each country with respect to the conditions of labour should have due regard to the equitable economic treatment of all workers lawfully resident therein.

That is the particular clause, I think, which caused a great deal of the trouble, and was the rock upon which the whole Labour Convention was almost wrecked, owing to the difficulty of agreeing upon what treatment should be accorded to foreign citizens in various countries.

Ninth.—Each state should make provision for a system of inspection in which women should take part, in order to ensure the enforcement of the laws and regulations for the protection of the unemployed.

I submit, honourable gentlemen, that if the thirty-two nations which I think are subscribing to the Peace Treaty, and some thirteen more which probably will subscribe to it, all honestly endorse and adopt and attempt to carry out these principles as laid down, that will be a greater contribution to human happiness throughout the world than anybody ever contemplated as possible of accomplishment at one time.

Hon. Mr. DAVID: Would the honourable gentleman allow me to ask him a question? What is the difference between the resolutions adopted by the Labour Convention and the resolutions which are contained in the Treaty of Peace?

Hon. Mr. ROBERTSON: The amendments or changes are very few. I think in clause 8 of the original proposal provision was made whereby workmen in any country, no matter what their nationality or origin might be, should be treated as on a par with workmen who were citizens of that country, regardless of their ability, qualification, standard of living, or anything of that sort. That was a very contentious matter. We in this country, where there are so many working people who are drawn from probably thirty or forty different countries, and speaking as many different languages, can see the difficulty if a Chinaman, if you please, or an Austrian—or you might name a dozen other nationalities—were to receive all the benefits accorded to a Canadian citizen. It would be going a very long way, further, probably, than the working people of this or any other country would approve of. Therefore it was necessary to effect some sort of compromise that would ensure justice and at the same time not raise those difficulties. I think practically the only important change appears in Article 8.

It is not my purpose to detain the House further than to say, in conclusion, that of all of the famous and important documents which have been written, and which have been turning points that have marked new eras in the world's history, this document is

undoubtedly destined to take the first place. Our minds run back through history to the Magna Charta days, when the people demanded justice and obtained a declaration which gave them much greater freedom than they had ever enjoyed prior to that time; but they never for one moment imagined the far-reaching effect down through the ages of the work which they did that day. Likewise, when the American Declaration of Independence was made, I do not think that those who were parties to it ever imagined the breadth and depth of the meaning contained in it, or the far-reaching effects on future generations that that Declaration was destined to have. Those two documents applied only to the people within a given country. This document applies to probably thirty or more different countries and to many millions of people. It is a remarkable fact that the Labour Convention, which I deem to be one of the most important features of the whole document, affects the vast majority of all the people of all the nations which are parties to the agreement. It is impossible for us even to imagine the far-reaching effect and the benefits that this Treaty when completed is destined to bring to future generations in all countries. I therefore have very great pleasure in subscribing to the recommendation contained in the resolution, and in unhesitatingly endorsing this document.

Hon. L. O. DAVID: Honourable gentlemen, I had intended saying a few words in French, but in order that you may be certain I shall not take up much time, not more than five minutes, I will speak in English, because when I am obliged to speak English I cannot speak very long.

I desire to say a few words about the amendment, which has been much neglected, asking for a postponement of the question. But before dealing with that I shall say a few words upon the main question, regarding the Treaty itself. It must be apparent to all honourable members that on both sides we are agreed as to the fundamental principles of the Treaty of Peace and of the Covenant regarding the League of Nations. There is evidently but one opinion on that point, though we may differ in certain particulars. I do not consider, however, that the League of Nations will end all war and establish eternal peace. No, I think it is a splendid, a noble dream, but only a dream, because when there were only two men in the world, two brothers, one killed the other, and since that time war as been continually waged. It will continue as long as the world lasts. But the effect of the League of Nations will be to reduce the number of wars to a great extent, and that is sufficient to justify its establishment, because in this poor world the most we can do is to reduce the evils which afflict humanity, and in this as in all other matters it is the most we can do.

Now let us come to the amendment. When the Fathers of Confederation created the new constitution, their object in establishing the Senate was to have a political body of men who would be able under all circumstances to consider with mature judgment and independence all questions coming before Parliament, and would correct and revise what deserved to be corrected and revised. Well, honourable gentlemen, there was never a question which required more mature, deliberate, and independent judgment than the question now before us, because we are called upon to bind not only ourselves, but also future generations, to take part in all the great quarrels which may agitate and afflict the world, and quarrels which will generally be European; and, I must add, without the consent or approval of our Parliament or any parliament we shall be bound to participate. You will admit, honourable gentlemen, that this is a departure from the policy which was adopted by all the great chiefs of the Conservative party and of the Liberal party.

I said yesterday in my little speech in French that the effect of the Treaty would be to put our country in a very critical situation, full of elements of friction, of discontent, of complication, which would probably if not certainly disturb our relations with England and with the United States, and I added that the partisans of Imperialism and all those who desired to remain British subjects would do wrong in placing themselves in such a situation. We are all proud to live under British rule, French Canadians perhaps more so than any others—why? Because we have perhaps more reason than other nationalities to be happy to live under British rule. We should be ungrateful if we did not recognize that England has been good to us, and that all those that came from England to govern us were kind and treated us with all possible generosity and sympathy. It is because I, like the honourable member for De Salaberry (Hon. Mr. Béique) and the honourable member for De Lorimier (Hon. Mr. Dandurand), think that the Treaty will create very serious complications which will endanger our

relations with England that I am anxious to know what I ought to do. At any rate, honourable gentlemen, I have been confirmed in the views that I expressed yesterday by what has been stated by the honourable members for De Lorimier and De Salaberry. They give facts to show that there was reason to fear the consequences of the Covenant of the League of Nations. Do you not think, honourable gentlemen, that that is sufficient to induce you, and to induce the honourable leader of the House, to allow a postponement for some days. As the discussion has been so interesting and has presented such problems, it may be supposed that if it were to continue other problems and other views worthy of our consideration might be brought forward. So I am surprised that the honourable leader of the House, whose eloquence and whose character I always admire, and who is always so ready to comply with our desires—I am surprised that he is so obstinate in this instance, in refusing to grant us the delay which we ask in order that we may give more consideration to the great problems raised by the Treaty of Peace. He may have good reasons, but he has not given any, for being on this occasion so obstinate in his refusal. I hope that honourable gentlemen who are behind him will induce him to grant us a few days more. A fuller discussion would be of interest to the public, and views might be expressed which the Government itself might perhaps be pleased to hear.

Well, if the honourable gentleman refuses, what shall we do? We might vote in favour of accepting the Treaty in principle. Shall we vote for it?

Hon. Sir JAMES LOUGHEED: Oh, yes.

Hon. Mr. DAVID: But, on the other hand, as we think that the objections which have been raised are quite serious, shall we vote against the Treaty? Perhaps not. Then, shall we abstain from voting, so as not to share in the responsibility for the difficulties which I have just mentioned? Whether we vote or not makes no difference, as has been well established in the course of the discussion. The honourable leader of the House is smiling now. That is a good sign. Does he not think that we need time in order to decide which of the positions which I have indicated we ought to take? I hope he will grant us what we ask.

The proposed amendment of Hon. Mr. Bostock was negatived, and the resolution was agreed to.

TREATY OF PEACE WITH POLAND.

RESOLUTION OF APPROVAL AGREED TO.

Hon. Sir JAMES LOUGHEED moved:

Resolved, That it is expedient that Parliament do approve of the Treaty of Peace between the United States of America, the British Empire, France, Italy and Japan, and Poland, which was signed at Versailles on the twenty-eighth day of June, nineteen hundred and nineteen, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the Plenipotentiaries therein named, and that this House do approve of the same.

He said: What has been said upon the preceding motion applies equally well to this. Canada has been made a party to this Treaty, and hence we desire the expression of the Senate upon it.

Hon. RAOUL DANDURAND: I might point out, what is unfortunately true, that I for one have not had time to examine the Treaty. In conjunction with all the members of this Chamber, I acclaim the recovered independence of Poland, and feel that this war will have produced more than evil and suffering, since it will have liberated Poland and a number of other nations which were in subjection.

I have said that I did not read the Treaty, but I have glanced through it and have noticed in it no clause to which I would object. I desire simply to draw the attention of my honourable friends from the province of Ontario to Article 9, which may suggest to them reflections which would help towards the maintenance of peace between the races in this country, by bringing about the application in that good old province of the same principles as are embodied in the Treaty which our plenipotentiaries have signed. Article 9 says:

Poland will provide in the public educational system in towns and districts in which a considerable proportion of Polish nationals of other than Polish speech are residents adequate facilities for ensuring that in the primary schools the instruction shall be given to the children of such Polish nationals through the medium of their own language. This provision shall not prevent the Polish Government from making the teaching of the Polish language obligatory in the said schools.

In towns and districts where there is a considerable proportion of Polish nationals belonging to racial, religious or linguistic minorities, these minorities shall be assured an equitable share in the enjoyment and application of the sums which may be provided out of public funds under the State, municipal or other budget, for educational, religious or charitable purposes.

The provisions of this Article shall apply to Polish citizens of German speech only in that part of Poland which was German territory on August 1, 1914.

The work in Paris of the plenipotentiaries of the most civilized nations in the world has broadened the ideas of many people and has done much to find a remedy for the ills of humanity which will be of general application throughout the world; and I commend this article to my honourable friends and the population of Ontario.

Hon. Mr. McLENNAN: Is that clause 17?

The motion was agreed to.

THE RHINE TERRITORIES AGREEMENT.

RESOLUTION OF APPROVAL AGREED TO.

Hon. Sir JAMES LOUGHEED moved:

Resolved, That it is expedient that Parliament do approve the agreement between the United States of America, Belgium, the British Empire and France, and Germany, with respect to the military occupation of the Territories of the Rhine, signed at Versailles on the twenty-eighth day of June, nineteen hundred and nineteen, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.

He said: What I have said as to the preceding resolutions applies equally to this one.

Hon. Mr. BOSTOCK: As this is only an agreement arising out of the main Treaty, I should like to ask my honourable friend the leader of the Government if we are to understand that all agreements of this kind will be presented for approval to the Parliament of Canada? This document, in contradistinction to the others, bears the words, "Presented to Parliament by command of His Majesty." Of course, that means presented to the British House. This document is printed in England; but I understand that it was not presented for ratification, but for the information of the House.

Hon. Sir JAMES LOUGHEED: We are presenting this agreement in pursuance of a promise that the Treaty would be submitted to the Parliaments of the various Overseas Dominions; and, inasmuch as this agreement is practically part and parcel of the Treaty, and grows out of the Treaty, it was thought desirable to follow that procedure.

Hon. Mr. DANDURAND: Although it does not seem to have been signed by the representatives of Canada.

Hon. Sir JAMES LOUGHEED: No, by the representative of the British Empire; and the British Empire has been treated in the Treaty as being made up of Great Britain and the Overseas Dominions.

The motion was agreed to.

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

THE SENATE.

Friday, September 5, 1919.

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

Prayers and routine proceedings.

THE LATE LT.-COL. BAKER, M.P.

FORM OF MEMORIAL.

Hon. GEORGE G. FOSTER moved:

That the following senators, to wit: the Honourable Messieurs Bradbury, Casgrain, Pope, and the Mover, be appointed a Special Committee to confer and act with the Committee of the Senate and the House of Commons, who have in charge the building and arrangement of the new Parliament Building, for the purpose of considering and reporting upon the form of the memorial to the late Lieutenant-Colonel Baker, M. P., for Brome, to be erected in the said building.

The motion was agreed to.

ADJOURNMENT OF THE SENATE.

Hon. Sir JAMES LOUGHEED moved:

That when the Senate adjourns to-day it do stand adjourned until Monday, the 22nd instant, at three o'clock in the afternoon.

Hon. Mr. WATSON: On behalf of some members who are not here, I would request that the date be made the 23rd instant instead of the 22nd, because it would be inconvenient to some honourable gentlemen to leave their homes on Sunday, as they would have to do in order to be here on Monday.

The motion, amended as suggested, was agreed to.

EXPORTS OF FOOD PRODUCTS, 1919.

MOTION FOR RETURN.

Hon. Mr. DANDURAND (for Hon. Mr. David) moved:

That an Order of the Senate do issue for a statement showing the quantity and value of wheat, butter, cheese, pork, cattle and food products generally exported to foreign countries since the 1st of January, 1919.

The motion was agreed to.

COMMISSIONS APPOINTED SINCE 1912.

MOTION FOR RETURN.

Hon. Mr. DANDURAND (for Hon. Mr. David) moved:

That an Order of the Senate do issue for a statement showing the number of commissions

appointed since 1912, their object, the names of their members and their salaries, the total cost of each commission and those which are still existing.

He said: I know a similar motion was made last session by some honourable member of the House; perhaps there was no return made.

Hon. Sir JAMES LOUGHEED: Yes, there were returns made. I have no objection to the motion going, because the information will be obtainable from the Journals, and upon being transcribed can be placed upon the table of the House.

Hon. Mr. POWER: I do not rise for the purpose of opposing this motion, but I think the notice is incomplete; I think there should be added to it something like this: "And the results which have followed from the appointment of the commissions."

Hon. Mr. DANDURAND: Of course, my mandate is simply to make the motion. I would draw the attention of the leader of the Government to the opportunity of saving as much money as possible to the country. If the motion made has been covered in part by a return made last session it would go without saying that the mover of this resolution would be satisfied if it were simply completed.

The motion was agreed to.

HUDSON BAY ROUTE.

COMMITTEE OF INQUIRY.

Hon. GEORGE W. FOWLER: Honourable gentlemen, owing to the long adjournment, I would ask the leave of the House to move the motion that is on the Order Paper for Monday, with regard to the reappointment of the Hudson Bay Committee.

Hon. Mr. DANDURAND: What will the honourable gentleman gain by moving that motion now?

Hon. Mr. FOWLER: The matter will then be in train, and time will be saved.

Hon. Mr. DANDURAND: But the committee is not sitting during the recess.

Hon. Mr. FOWLER: If my honourable friend objects—

Hon. Mr. DANDURAND: I am not objecting, but it is a dangerous practice to take up in advance a motion that has been fixed for a certain date. The Senate is supposed to take notice that the matter will be dealt with at a certain time, and when a senator comes on the date fixed he finds that the matter has already been disposed of. Of course, this is of no importance and it can be passed now.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. FOWLER: I trust my honourable friend does not mean that the motion is of no importance, for he is a member and a very important member of that committee himself.

Hon. Mr. DANDURAND: I should have said rather that the matter is not contentious.

Hon. Mr. FOWLER moved:

That a committee of twelve of this House be appointed to take evidence and report at this session upon the navigability and fishery resources of Hudson Bay and Strait, and of the character of the ports of said Hudson Bay with regard to their fitness as railway terminals, and that such committee shall have power to call for persons and papers, and that the said committee do consist of the Honourable Messieurs Bostock, Casgrain, Dandurand, P.C., Daniel, DeVeber, Fowler, Lougheed, Sir James,K.C.M.G., P.C., Michener, Schaffner, Sharpe, Watson and Willoughby.

Hon. Mr. DANDURAND: I have not made sufficient amends for the slip of the tongue which I made a moment ago, and I now take advantage of the motion being moved to say that I have rarely attended committee meetings that were as interesting as those held by this committee last session. Honourable members of the Senate who are not members of the committee would find it to their advantage to attend the meetings of the committee when interesting data upon the West is being furnished us.

Hon. Mr. WATSON: Accept the apology.

Hon. Mr. BOYER: May I recall attention to the fact that the honourable senator from De Lanaudiere (Hon. Mr. Casgrain) is going to be away all session. Could not his place be taken by some one else?

Some Hon. SENATORS: Oh, no.

Hon. Mr. DANDURAND: I think he will be here about the first of October.

The motion was agreed to.

TREATY FOR PROTECTION OF SALMON.

INQUIRY.

Hon. Mr. BOSTOCK: With the leave of the House I should like to draw my honourable friend's attention to an article which I noticed in the Manitoba Free Press of September 3, which reads as follows:

Washington, D.C., Sept. 2.—A treaty between the United States and Great Britain for the protection of sock-eye salmon of the Fraser river system was signed at the State Depart-

ment to-day. Secretary Lansing signed for the United States and R. C. Lindsey, in charge of the British embassy and Chief Justice John Douglas Hazen, of Canada signed for the British government.

This is such an important matter to the province from which I come that I should like to ask the leader of the Government if he can give us any information as to the nature of the treaty referred to, and also whether it is liable to pass the Senate at Washington without any great discussion.

Hon. Sir JAMES LOUGHEED: I am sorry to say that I have no information upon the subject whatsoever, and will not be in a position to give any until we reassemble.

Hon. Mr. DANDURAND: As the Treaty concerns Canada I suppose it goes without saying that it will be ratified by our Parliament?

Hon. Sir JAMES LOUGHEED: It will have to receive the ratification of the United States Senate, which is rather a difficult thing to get, apparently.

The Senate adjourned until Tuesday, September 23, at 3 p.m.

THE SENATE.

Tuesday, September 23, 1919.

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

Prayers and routine proceedings.

ARTIFICIAL FERTILIZERS.

MOTION FOR RETURN.

Hon. Mr. DOMVILLE moved:

That an Order of the Senate do issue for a return of a statement giving weight and value, also the Import Duty paid on the importations into Canada of mixed fertilizers, also of Sulphate of Ammonia, Nitrate of Soda, Ammoniates, Phosphate Rock, Super Phosphates, Kanite or Potash Salts, Chloride of Potash and Crude Sulphate of Potash, and of any miscellaneous chemicals as are used in the manufacture of artificial fertilizers, for the fiscal year ending March 31, 1919, and for each month of the unexpired year to date.

The motion was agreed to.

SOLDIERS' CIVIL RE-ESTABLISHMENT BILL.

BILL WITHDRAWN.

On the order:

Second reading Bill A, An Act to amend The Department of Soldiers' Civil Re-Establishment Act.—Hon. Sir James Lougheed.

Hon. Mr. BOSTOCK.?

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I desire to withdraw this Bill, inasmuch as a similar Bill has been introduced in the House of Commons, which, of course, will reach us in due time.

Hon. Mr. BOSTOCK: May I take this opportunity of asking my honourable friend what legislation we may expect to be brought down in the near future?

Hon. Sir JAMES LOUGHEED: A Bill will be brought down to ratify the Peace Treaty.

Hon. Mr. BOSTOCK: I thought we had already ratified the Peace Treaty.

Hon. Sir JAMES LOUGHEED: A resolution has been brought down and has been agreed to, but a Bill likewise will be submitted to Parliament at an early day. Outside of that legislation, I cannot at the moment say specifically that there will be other Bills of very great importance.

Hon. Mr. DANDURAND: Will the honourable gentleman tell us if the Bill to ratify the Peace Treaty will be introduced in the Senate, or if two Bills will be introduced in the two Houses simultaneously, as was done in the case of the resolution?

Hon. Sir JAMES LOUGHEED: I will satisfy my honourable friend by saying there will be only one Bill.

Hon. Mr. DANDURAND: Will it be introduced in the Senate or in the House of Commons?

Hon. Sir JAMES LOUGHEED: In the Commons.

Hon. Mr. DOMVILLE: May we look for prorogation next Monday?

Hon. Sir JAMES LOUGHEED: Scarcely.

Hon. Mr. DANIEL: I should like to ask the leader of the House if the ratification of the Peace Treaty will be held to be synchronous with or equivalent to the Proclamation of Peace. Certain Orders in Council, I believe, are in force up to a date which is spoken of as "the Proclamation of Peace." There appears to me to be a good deal of doubt as to just what is meant by the Proclamation of Peace—who is to make the Proclamation, or when it is supposed to come. We all know that we have been at peace for a long time. I should like to know whether the passing of the Bill ratifying the Peace Treaty will be equivalent to a Proclamation of Peace.

Hon. Sir JAMES LOUGHEED: I will say no to my honourable friend.

Hon. Mr. BELCOURT: Can my honourable friend tell us by what countries the Treaty has been ratified? Has the Government been officially advised that it has been ratified by any nation?

Hon. Sir JAMES LOUGHEED: I cannot inform my honourable friend authoritatively upon that point.

Hon. Mr. BELCOURT: It has been ratified in England.

Hon. Sir JAMES LOUGHEED: I understand that it has been ratified by the British Government. Whether or not it has been ratified by France I cannot say.

Hon. Mr. BELCOURT: Italy has ratified it, I think.

Hon. Sir JAMES LOUGHEED: I cannot say.

Hon. Mr. BELCOURT: With my honourable friend's permission, I will renew my question to-morrow.

Hon. Mr. POWER: I have a feeling of regret that the leader of the House has decided to drop the Bill with respect to the Soldiers' Civil Re-establishment. It is true that a Bill of the same title has been introduced in the House of Commons; but the Bill which the honourable gentleman proposes to drop was introduced in the Senate on the 4th of September, whereas the Commons Bill was not introduced until the 15th of September. It seems to me that the Senate has a precedence which should be maintained; and, further, the minister who has charge of the Department of Soldiers' Civil Re-Establishment is the leader of the Government in this House. Under the circumstances, it seems to me that we might have expected that the Bill would be proceeded with here, and that the Commons should have waited until the Bill went down to them.

Hon. Sir JAMES LOUGHEED: Owing to representations which have been made by many organizations of returned soldiers throughout Canada, the Government, during adjournment of the Senate, thought it would be opportune to hold an inquiry into what is being done by the various departments of Government touching the re-establishment of returned soldiers in civil life. Consequently it was thought that the better way to do it would be in connection with this Bill which had been introduced in the Senate. The committee which is now sitting and making inquiry into that subject is the outcome of the introduction of this same Bill in the House of Commons. It was not out of discourtesy to the Senate in any respect that the Bill was introduced in the House of Commons, but owing to our adjournment and the impossibility of proceeding with it in this Chamber while those organizations were demanding from the Government that inquiry be made into their representations.

Hon. Mr. BELCOURT: In that case the Bill will not be proceeded with in the Commons until that committee has reported?

Hon. Sir JAMES LOUGHEED: We may be fully assured that it will be proceeded with during the present session, and that it will reach this House in due course.

Hon. Mr. BELCOURT: There will be little time to consider it, if that is the case.

Hon. Sir JAMES LOUGHEED: It is necessary that the Bill should pass during the present session, owing to the probability of peace being declared before Parliament again meets, and the need for legislation confirming the Orders in Council which have been passed concerning the various subjects with which the department has to deal.

Hon. Mr. DANDURAND: Can the honourable gentleman inform this House as to the scope of the inquiry which is proceeding in the Special Committee appointed by the other House?

Hon. Sir JAMES LOUGHEED: I understand the scope will be sufficiently wide to permit of the fullest inquiry as to what is being done by any department of the Government to assist the returned soldier in re-establishing himself in civil life. I think that the most rigid interpretation will not be placed upon the resolution which passed the Commons, but that every opportunity will be given for a full inquiry as to what can advantageously be done in the interest of the returned soldier.

Hon. Mr. DANDURAND: Is the inquiry to cover the demand made for a flat sum of $2,000 per soldier?

Hon. Sir JAMES LOUGHEED: I do not understand that it will consider that as a concrete question; but, as I have already pointed out, it will consider the question whether the Government has gone sufficiently far in assisting the returned soldier, or whether there are not some other fields that might be covered by the action of the Government in assisting him.

Hon. Mr. DANDURAND: I understood that the inquiry would cover the capacity of the country to meet such a demand.

Hon. Sir JAMES LOUGHEED: I have no doubt of that. Of course, that will be a fundamental question in considering what shall be done.

Hon. Mr. DANDURAND: I take it for granted that if such an inquiry is to be made, consideration would be given, not only to the question of the ability of Canada to pay a certain fixed sum to each of the 500,000 soldiers that were enlisted, but also, either prior to or concurrently with that study, to the ways and means whereby this country might fulfil the obligation of finding $200,000,000 a year to meet our additional yearly charges. It seems to me that this question should be studied at the same time as the ability of the country to pay larger sums to soldiers, because we are faced with the obligation of levying henceforth from the taxpayers of the country a further sum of $200,000,000 a year, and it is a reproach, which I intend to maintain and repeat, that the present Government has not indicated in any manner where that $200,000,000 is to be got. We are about to ask the country to subscribe to a new loan of $300,000,000 or $400,000,000, partly to meet the deficit of last year. Surely we are not going to the people every year to ask them for loans of $200,000,000 or $300,000,000 or $400,000,000 to meet our regular annual charges. So far we have been going to the taxpayer and asking him to lend his money to the country. This is an easy process, but a day will come when we shall have to look the ratepayer in the face and ask him to meet the annual interest upon those loans. It seems to me that the time has come—and it has come before to-day—to examine the situation honestly, and to find the sources of income in order to meet our yearly liabilities.

Hon. Mr. POWER: I know that it is not quite regular to refer to what takes place in another House, and I am slightly out of order, but I just wish to call attention to the fact that with respect to this question the Prime Minister some weeks ago made a declaration which showed that his view of the matter was the same as that taken by the honourable gentleman from De Lorimer (Hon. Mr. Dandurand). For some reason or other the Government, and of course the Prime Minister, appear to have weakened. Whereas he then spoke in very decided, absolute, and emphatic terms with respect to this matter, he has now changed his position. Whereas he declined to consider the subject of gratuities at that time, the Government are now prepared to consider it; and not only that, but they introduce a Bill, one of the objects of which apparently is to enable this subject to be discussed. I think it is a pity that the Government do not stay in one place or the other.

Hon. Sir JAMES LOUGHEED: I can assure my honourable friends that whatever is done will be based upon the ability of the Government to do it; and furthermore, whatever is decided to be done by the Government will of course be submitted to this Chamber, just as to the House of Commons, and it will be for this Chamber to pronounce upon it. Parliament is peculiarly an institution wherein representations can be made, and should be made, upon any subject of public interest, and it is only in this particular relation, I think, that this matter is being discussed at the present time in the House of Commons.

The Bill was withdrawn.

RECENT CHANGES IN THE MINISTRY.

On the motion for adjournment:

Hon. Mr. BOSTOCK: Could my honourable friend tell us what changes have been made in the Government of late? We have heard certain reports and certain rumours. I understand that the Minister of Customs has taken over the Department of Public Works.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: But so far as I am aware, we have had no official statement from the Government in regard to that.

Hon. Sir JAMES LOUGHEED: I am unaware of any other change having taken place since we last met than the assumption of the portfolio of Public Works by the former Minister of Customs.

Hon. Mr. DANDURAND: Did the honourable gentleman announce that the Minister of Finance had resigned and been replaced by somebody else?

Hon. Sir JAMES LOUGHEED: That took place some time ago—certainly some weeks before we adjourned.

Hon. Mr. DANDURAND: I doubt if this House has been advised as to the resignations of some ministers and their replacement.

Hon. Sir JAMES LOUGHEED: The House probably knew it.

Hon. Mr. TESSIER: What about the Prime Minister?

Hon. Mr. DANDURAND: We have heard of the resignation of the late Minister of Finance, Sir Thomas White. No cause for his resignation has been given, and perhaps no statement as to that is forthcoming. He has been a very great success in borrowing hundreds of millions from the country. I should have thought that he would have remained to finish his work, and to find some means of levying the necessary taxation—a process which is perhaps a little more difficult—to meet the interest on those loans which he had raised.

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

THE SENATE.

Wednesday, September 24, 1919.

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

Prayers and routine proceedings.

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

THE SENATE.

Thursday, September 25, 1919.

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

Prayers and routine proceedings.

FOREIGN CREDITS IN CANADA.

INQUIRY.

Hon. Mr. DANDURAND inquired:

1. Has the Canadian Government opened credits to foreign countries or governments to allow purchasing facilities in Canada?
2. If so, to what countries, to what extent and under what form?
3. What are the terms of payments provided for?
4. Have those credits or guarantees been taken advantage of?
5. If so, by whom and to what extent?

Hon. Sir JAMES LOUGHEED:

1. Yes.

2. Roumania, $25,000,000 for purchase of foodstuffs, raw materials and manufactured articles.

Greece, $25,000,000 for purchase of manufactured products and materials.

France, $25,000,000 for purchase of cattle, foodstuffs, raw materials and manufactured articles.

Belgium, $25,000,000 for purchase of foodstuffs, raw materials and manufactured articles.

Italy, $6,003,301.20 for purchase of frozen beef.

3. All advances to be covered by Treasury Bills of the various governments, repayable in five years from December 31, 1919, and carrying interest payable half-yearly at the rate of 5½ per cent.

4 and 5. Italy, $6,003,301.20; Belgium, $1,008,021.68; Roumania, $5,053,656.42; France, no advance to date; Greece, no amount advanced as yet; contracts, however, entered into totalling $9,653,054, for which advances will have to be made shortly.

All advances are covered by Treasury Bills deposited to the credit of the Minister of Finance in London.

BUSINESS PROFITS AND INCOME TAXES.

INQUIRY.

Hon. Mr. DOMVILLE inquired of the Government:

The number of firms or individuals who paid excess profits tax in the city of Moncton, N.B., and other cities and towns in the province of New Brunswick, for the years 1916, 1917 and 1918; also the amount collected.

The number of persons who paid income tax and the amount so paid in these cities and towns.

Hon. Sir JAMES LOUGHEED: Statistics showing the number of firms or individuals who paid business profits war tax or income war tax in the various cities and towns in the province of New Brunswick or any other province are not available, as records are only kept according to provinces. The following statement sets forth the assessments paid under the Business Profits War Tax Act, 1916, in the province of New Brunswick:

	No. of assessments paid.	Amount paid.
Fiscal year 1917	48	$198,488.99
" " 1918	52	221,592.42
" " 1919	55	409,737.26
1st April, 1919, to 24th September, 1919.. ..	42	174,414.85

Income tax for year 1917—Assessments paid, 947; amount collected, $198,838.08.

Assessments covering the 1918 calendar year are being prepared for mailing on the 31st October, 1919, as provided in section 8, chapter 55, of the statutes of 1919.

JARRY DIVORCE CASE.

MOTION FOR RETURN OF FEES.

Hon. Mr. DOMVILLE moved:

That the fees paid upon the Petition of Gabriel Jarry, of the city of Montreal, praying for the passing of an Act to dissolve his marriage with Marie Ernestine Brossard Jarry, of the said city, be refunded, less the cost of translation and printing.

Hon. Mr. TANNER: Has the honourable member any objection to this matter being referred to the Committee on Divorce?

Hon. Mr. DOMVILLE: It is not customary.

Hon. Mr. TANNER: I think the committee has considered this subject, and it appears to me that such procedure would be very proper in any case.

Hon. Mr. DOMVILLE: As it is not my child, I have no objection.

Hon. Mr. TANNER: If the honourable gentleman has no objection, I would move:

That all the words after "that" in the said motion be omitted and the following be inserted in lieu thereof: "the application for the refund of fees paid upon the petition of Gabriel Jarry, of the city of Montreal, praying for the passing of an Act to dissolve his marriage with Marie Ernestine Brossard Jarry, be referred to the Standing Committee on Divorce."

The motion, amended as proposed, was agreed to.

THE TREATY OF PEACE BILL.

FIRST READING.

Bill 3, an Act for carrying into effect the Treaty of Peace between His Majesty and certain other powers.—Hon. Sir James Lougheed.

NAVIGABLE WATERS PROTECTION BILL.

FIRST READING.

Bill 11, an Act to amend the Navigable Waters Protection Act.—Hon. Sir James Lougheed.

ADJOURNMENT OF THE SENATE.

Hon. Mr. DONNELLY: As we are getting near the week end, and there does not appear to be a great deal of business before the Senate, I should like to suggest to the leader of the House that when we adjourn to-day we stand adjourned until Tuesday next. If such action does not interfere with the business of the Senate, it will suit the convenience of a number of members.

Hon. Sir JAMES LOUGHEED: I am afraid that my honourable friends on the other side will object.

Hon. Mr. BOSTOCK: Up to the present moment I have heard no objection raised on this side of the House.

The Senate adjourned until Tuesday, September 30, at 8 p.m.

THE SENATE.

Tuesday, September 30, 1919.

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

Prayers and routine proceedings.

FRANCO-CANADIAN COMMERCIAL CONVENTIONS.

INQUIRY.

Hon. Mr. DANDURAND inquired of the Government:

1. Has the French Government denounced the Franco-Canadian Commercial Conventions of December, 1907, and of January, 1909?
2. If so, when do they terminate?
3. Has the French Government taken any action towards the prolongation of these conventions under the terms of the Treaty or otherwise?
4. Has the Canadian Government expressed its willingness to agree to a longer prolongation than the three months mentioned in said conventions?
5. What is the present commercial status of the two countries towards each other?

Hon. Sir JAMES LOUGHEED:

1. Yes.
2. At the expiration of three months' notice by either party.
3. The French Government has denounced all its commercial treaties, but has suggested that they remain in force for the present, subject to three months notice by either party.
4. The Canadian Government has expressed the view that the three months notice clause is entirely unobjectionable to it.
5. The commercial relations of the two countries remain the same as before the denunciation of the Treaty by France.

GOVERNMENT RAILWAYS RECEIPTS AND DISBURSEMENTS.

INQUIRY.

Hon. Mr. McSWEENEY inquired of the Government:

1. What were the total receipts from the Intercolonial Railway, so-called, for the fiscal

year ending March 31, 1919; also the disbursements for the same period?

2. Also the receipts from the Transcontinental, from Winnipeg to Quebec, and the disbursements for the same period, that is, the year ending March 31, 1919?

3. Also, what were the receipts for the Prince Edward Island Railway for the year ending March 31, 1919, and what were the disbursements for the same period?

4. Also, what were the receipts for the car steamer King Edward for the fiscal year ending March 31, 1919; also, what were the disbursements for the same period?

Hon. Sir JAMES LOUGHEED:

1. Receipts, $26,435,343.68; disbursements, $28,239,506.89.

2. Receipts, $7,283,488.19; disbursements, $8,549,803.06.

3. Receipts, $741,514.58; disbursements, $1,596,049.91.

4. Receipts and disbursements accruing to the car steamer Prince Edward Island are not kept separate and are included in the receipts and disbursements of the Prince Edward Island railway.

NATIONAL LABOUR UNIONS OF QUEBEC.

INQUIRY.

Hon. Mr. L'ESPERANCE inquired of the Government:

1. Is the Minister of Labour aware that the National Unions of Quebec represent a membership of between thirty and forty thousand?

2. Is the Minister of Labour aware that this union is incorporated, and thereby the association assumes the responsibility for its contracts?

3. Is the Minister of Labour in favour of the principle of organized labour associations being incorporated?

4. If not, what are his reasons against unions being incorporated?

Hon. G. D. ROBERTSON:

1. The so-called National Unions of Quebec have 63 locals with a membership of thirty-one thousand, in the following centres: Montreal, Quebec, Three Rivers, Sherbrooke, St. Hyacinthe, Hull, Chicoutimi, Thetford Mines, Lauzon, Levis, Granby, and Jonquières.

2. I assume that the question should read "unions" instead of "union." The answer is: No. Two only are registered under the Trade Union Act of Canada.

3 and 4. These two questions, being matters of opinion and not questions of fact, are not, according to parliamentary practice, proper questions to be put.

In explanation of that answer, may I point out that some months ago, in this House, a question was asked which I presumed to answer at some length, as it required an expression of opinion as well as statements of fact; and some other honourable gentlemen who desired to express their views upon the subject were prevented from doing so, because it was not proper to debate a question on an inquiry. I therefore desire to point out that I have no objection whatever to expressing my opinion or giving my views in answer to an inquiry, if the information is asked for in the proper way.

TUCK DIVORCE CASE.

MOTION FOR RETURN OF FEES.

Hon. Mr. BRADBURY moved:

That the fees paid upon the Bill Q2, An Act for the relief of George Irvine Tuck, be refunded, less the cost of translation and printing.

Hon. Sir JAMES LOUGHEED: May I suggest to my honourable friend the propriety of having this referred to the Divorce Committee with a view of having a recommendation made by that committee. It is desirable to make this practice uniform. We adopted it on a motion made the other day. I hope my honourable friend will see his way to agreeing to that.

Hon. Mr. BRADBURY: If I am in order, may I say that I know absolutely nothing about this matter which has been placed in my hands. I know nothing about the merits of the case; but I would like to place on record, if I am in order, the reasons why the petition asks for the remission of the fees:

That the obtaining of this divorce has cost your petitioner the sum of $980.

That your petitioner purposes to commence a four years' university course on or about the 30th day of September, 1919.

That your petitioner is financially embarrassed by reason of the obligations incurred by the divorce case aforementioned.

These reasons are stated in the petition which has been placed in my hands.

The motion was referred to the Standing Committee on Divorce.

EXPORTS OF FERTILIZERS.

MOTION FOR RETURN.

Hon. Mr. DOMVILLE moved:

That an Order of the Senate do issue for a Return of statement giving weights and values of the exportation from Canada during the fiscal years of 1916-17-18-19 of mixed fertilizers, also of Sulphate of Ammonia, Nitrate of Soda, Ammoniates, Phosphate Rock, Super Phosphates, Kanite or Potash Salts, Chloride of Potash and Crude Sulphate of Potash, and of any miscellaneous chemicals as are used in the manufacture of artificial fertilizers, also Basic Slag from the provinces of Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, by each province, and where exported

to as shown by clearances of the various custom houses.

The motion was agreed to.

BONUSES FOR BAIT FREEZERS.

MOTION FOR RETURN.

Hon. Mr. McLEAN moved:

That an Order of the Senate do issue for a Return to include:

1. The number of chemical bait freezers erected in Nova Scotia, New Brunswick and Prince Edward Island, which between 1909 and 1919, inclusive; (a) applied for Government assistance; (b) were granted Government assistance; (c) were refused Government assistance.

2. The names and addresses of the persons in each case who made application; and, in cases in which assistance was refused, the reasons for refusal.

The motion was agreed to.

INTERPRETATION ACT AMENDMENT BILL.

FIRST READING.

Bill 4, an Act to amend the Interpretation Act.—Hon. Sir James Lougheed.

DOMINION BY-ELECTIONS BILL.

FIRST READING.

Bill 13, an Act to amend the Dominion By-Elections Act, 1919.—Hon. Sir James Lougheed.

NATURALIZATION BILL.

FIRST READING.

Bill 14, an Act to amend The Naturalization Act, 1919.—Hon. Sir James Lougheed.

TREATY OF PEACE BILL.

MOTION FOR SECOND READING—DEBATE ADJOURNED.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 3, an Act for carrying into effect the Treaty of Peace between His Majesty and certain other powers.

He said: It will be recalled that a resolution was submitted to this Chamber on September 4 expressive of the approval by this body of the ratification of the Treaty. As I took the liberty on that occasion of speaking at some length on the different provisions of the Treaty, and it is not necessary for me to repeat what I said at that time. I therefore do not purpose going into any lengthy explanation of the Bill now, but will only say that it will be observed from the first clause—because the Bill is practically a one-clause Bill—that it is desirable that authority should be given to the Governor in Council to make such appointments, establish such offices, pass such Orders in Council, and do such things as appear to him necessary for giving effect to any of the provisions of the Treaty. If honourable gentleman have the Treaty before them, they will find most elaborate provisions therein, beginning say on page 139, dealing with debts; on page 146, under section 4, property, rights, and interests; on page 152, under section 5, contracts, prescriptions, judgments; on page 160, under section 6, the establishment of a mixed arbitral tribunal; and other elaborate provisions dealing with the many questions which necessarily arise out of the negotiations for peace.

It is unnecessary to point out to honourable gentlemen that the disturbance which took place during the world struggle is without parallel, and necessarily there must be a settlement, not only in the countries of the Allied and Associated Powers, but in enemy countries, as to the relations between not only German nationals and nationals of enemy countries, but nationals of the Allied and Associated countries. It will be necessary, for instance, to have an adjudication and determination of the many questions that will arise in the different countries of the parties to the Treaty; it will be necessary to establish a mixed arbitral tribunal for the purpose of hearing and determining the various controversies that may arise; it will be necessary to establish clearing houses not only in the countries of the Allies, but in the countries of the enemies, for the purpose of dealing with all questions affecting the business interests of the different nationals of the various Powers engaged in the war. This can better be accomplished by Orders in Council, as I think honourable gentlemen will readily appreciate, than by any fixed statute. We cannot anticipate at the moment what shape these organizations may take. They will have to be adapted from time to time to the peculiar circumstances and conditions of the many vexed questions that must necessarily arise; and whatever power is given must be elastic and not rigid in its character.

Provision is also made in the Bill that the authority of Parliament should be given for the payment of any expense incurred in the carrying out of the Treaty, and that money for this purpose should be provided by Parliament.

Hon. Mr. BELCOURT: Money to be provided, or already provided?

Hon. Sir JAMES LOUGHEED: It will be from time to time provided, as the necessity arises. In connection with the

League of Nations certain expenditures will have to be made by the different countries that are parties to the covenant of the League; and also, I have no doubt, money will have to be provided by Parliament for the carrying out of the different provisions to which I have already alluded.

This is the object of the Bill; and, inasmuch as on the fourth of September last I dealt with the principle of the Bill, I shall not inflict myself upon the House further, but shall move the second reading of the Bill.

Hon. Mr. BELCOURT: Can my honourable friend give me the information which I asked for the other day as to which of the Allied Powers have signed the Treaty up to the present?

Hon. Sir JAMES LOUGHEED: The only official information I have been able to get is that Great Britain, South Africa, and New Zealand have signed. We expect daily to hear that Australia has done so, but as yet the Government has not been officially notified to that effect.

Hon. Mr. BELCOURT: And as to Italy?

Hon. Sir JAMES LOUGHEED: I am unaware of any official advice having been received that Italy has ratified the Treaty.

Hon. HEWITT BOSTOCK: Honourable gentlemen, we are now asked to deal with a Bill which is for the purpose of supplementing the Treaty which we approved of by resolution the other day. It is not my intention to go into a discussion of the Treaty itself, because I think it was fully discussed before, and I should be only repeating what was said at that time. But, with the permission of the House, I desire to bring to your attention some papers that have been brought down to Parliament since the adjournment, and which I think have considerable bearing on the way in which this matter has been dealt with, and show the reason why we have been asked to deal with this question in what, on a previous occasion, I termed a rather hurried and unsatisfactory way, inasmuch as the honourable members of this House had the official copy of the Treaty placed in their hands on the second of September and were asked to approve of it, and did approve of it, on the fourth of September. Considering that the Treaty contained some 440 articles, it was rather a large order to ask honourable gentlemen to deal with the various questions and express an opinion upon them in that short time.

I think I drew attention to the fact that on this side of the House we did not consider that the approval of the Treaty by Parliament was absolutely necessary; that Parliament approved of a Treaty by passing, as we are asked to pass now, a Bill that provides that the Government shall do certain things in order to carry out the terms of the Treaty; that the practice that we were asked to follow was entirely new for Parliament; and that we were establishing a precedent.

I am afraid that I shall have to take up a little of the time of the House in reading the correspondence; I think it is of interest, and I hope honourable gentlemen will not object. It reads as follows:

Telegram from the Prime Minister of the United Kingdom to the Prime Minister of Canada.

London, October 27, 1918.

Sir Robert Borden,
Ottawa.

27th October, 1918. I think that you ought to be prepared to start without delay for Europe, if the Germans accept the terms of the armistice which we shall propose after our meeting at Versailles this week, as the Peace Conference will in that event probably open within a few weeks, and this will have to be preceded by inter-Allied conferences ot at least equal importance. It is, I think, very important that you should be here in order to participate in the deliberations which will determine the line to be taken at these conferences by the British delegates.

Lloyd George.

Telegram from the Prime Minister of Canada to the Prime Minister of the United Kingdom.

Ottawa, October 29, 1918.

Rt. Hon. Lloyd George,
10 Downing Street, London.

October 29th. There is need of serious consideration as to representation of the Dominions in the peace negotiations. The press and people of this country take it for granted that Canada will be represented at the Peace Conference. I appreciate possible difficulties as to representation of the Dominions, but I hope you will keep in mind that certainly a very unfortunae impression would be created and possibly a dangerous feeling might be aroused if these difficulties are not overcome by some solution which will meet the national spirit of the Canadian people. We discussed the subject to-day in Council, and I found among my colleagues a striking insistence which doubtless is indicative of the general opinion entertained in this country. In a word, they feel that new conditions must be met by new precedents. I should be glad to have your views.

Borden.

Telegram from the Prime Minister of the United Kingdom to the Prime Minister of Canada.

London, November 3, 1919.

Sir Robert Borden,
Ottawa.

3rd November. Your telegram reached me while in Paris. I fully understand the import-

ance of the question that you raise. It makes me impressed all the more with the importance of your coming immediately to Europe, for practically it is impossible to solve by correspondence the many difficult problems which it raises and which you fully appreciate. Also, on many questions now coming under consideration I should value your advice greatly. It will, I earnestly hope, be possible for you to sail at once.

D. Lloyd George.

I think that date should be November 3, 1918.

Telegram from the Secretary of State for the Colonies to the Governor General.

London, July 4, 1919.

It is hoped German Treaty may be ratified by three of the principal Allied and Associated Powers and by Germany before end of July.

Telegram from the Governor General to the Secretary of State for the Colonies.

Ottawa, July 9th, 1919.

Following from Prime Minister. Your message July 4th respecting ratification of Peace Treaty with Germany. I am under pledge to submit the Treaty to Parliament before ratification on behalf of Canada. No copy of Treaty has yet arrived and Parliament has been prorogued. Kindly advise how you expect to accomplish ratification on behalf of whole Empire before end of July.

Telegram from the Secretary of State for the Colonies to the Governor General.

London, July 23rd, 1919.

Following for your Prime Minister. Begins:

I have now consulted with Prime Minister and the Cabinet with reference to your most secret telegram of July 9th. Our view is that early ratification, especially now that Germany has ratified, is of the highest importance. In the British constitution there is nothing which makes it necessary for the King to obtain the consent of Parliament before ratifying Treaty. With perfect constitutional propriety the King can ratify on the advice of his ministers. For a Treaty of this far-reaching importance, and one embracing the whole Empire, the King certainly ought not to act at the instance of all his constitutional advisers, the Dominion Ministers as well as that of the United Kingdom.

I think the word "not" is a mistake.

But inasmuch as Dominion Ministers participated in peace negotiations, and side by side with ministers of the United Kingdom sign preliminaries of treaty, we hold that His Majesty, if he now ratified the Treaty for the whole Empire, would have the same constitutional justification in doing so in respect of Dominions as he has in respect of the United Kingdom. The King by a single act would bind the whole Empire, as it is right he should so, but that act would represent the considered judgment of his constitutional advisers in all self-governing States of the Empire, because it would be merely giving effect to an international pact which they had all agreed to. We realize at the same time the difficulty in which you are placed by your pledge to Parliament. We are willing, in order to meet this difficulty, to delay ratification (which if we alone were concerned we would desire to effect immediately) as long as we possibly can in order to give you time to lay treaty before your Parliament. The question is how long will this take. At an early date could you not have a special meeting of Parliament, solely for the submission of the Treaty, and if so how soon might its approval be expected? It would be impossible in our opinion without the gravest consequences to delay ratification until the late autumn.

I am communicating with the Governments of South Africa, New Zealand and Australia explaining urgency, and begging them to submit treaty to their Parliaments without delay, if they feel bound to do so before assenting to its ratification. Ends.

Milner.

Telegram from the Governor General to the Secretary of the Colonies.

Ottawa, July 29, 1919.

Following from my Prime Minister. Begins.

Your secret telegram of July 23rd has been carefully considered by Cabinet, and it seems to us that there is considerable doubt whether under modern constitutional practice the King should ratify without first obtaining the approval of Parliament. We think that in accordance with recent practice and authorities such approval should be obtained in the case of treaties imposing any burden on the people, or involving any change in the law of the land, or requiring legislative action to make them effective or affecting the free exercise of the legislative power, or affecting territorial rights.

On the other point, we fully agree that the King in ratifying the Treaty ought only to act at the instance of all his constitutional advisers throughout the Empire, but we do not entirely understand the suggestion that in the case of the Dominions the signature of the Dominion plenipotentiaries is equivalent to the tendering of advice to ratify. Do you regard this as holding good in the case of the signature of United Kingdom plenipotentiaries?

We propose to call special session on September 4th for purpose of presenting Treaty to Parliament, and I am confident we can ratify within a week thereafter. Please cable whether this meets your views.

Telegram from the Governor General to the Secretary of State for the Colonies.

Ottawa, August 1, 1919.

Following from my Prime Minister. Begins.

As we have to give thirty days' notice of summoning Parliament, I hope we have immediate reply to my telegram of July 29th respecting ratification of Peace Treaty.

Telegram from the Secretary of State for the Colonies to the Governor General.

Summoning of Parliament. I strongly advise your giving notice to summon immediately in view of severe pressure being put upon us from Paris to ratify at earliest possible moment. It is impossible to promise that we shall be able to keep back ratification till the eleventh of September. But I will certainly do my best, and I feel pretty confident that the argument for that amount of delay would be irresistible if we could count on Canadian approval by that date.

Milner.

Telegram from the Governor General to the Secretary of State for the Colonies.

Following message from Prime Minister for you.

Your message reached me yesterday afternoon and this morning Parliament has been summoned for Monday, 1st September. I cannot emphasize too strongly the unfortunate results which would certainly ensue from ratification before Canadian Parliament has had an opportunity of considering Treaty.

Telegram from the Secretary of State for the Colonies to the Governor General.

Urgent.

Re your cipher telegram of August 4th. The Government of Union of South Africa has convened special session of Parliament to consider Peace Treaty with Germany. They are of opinion that it will be very desirable to secure uniformity in dealing with this question, and have asked me to submit suggestions as to form in which Peace Treaty should receive in Dominions parliamentary approval—that is, whether motion should be submitted to Parliament for that purpose, or whether approval should take form of Bill on lines of that submitted to Parliament here. I have answered to the effect that matter is, of course, one for decision of local Government, but that best course, in my opinion, would be to obtain approval of Treaty by resolution of both Houses, and that if, as is probable, legislation on lines of British Bill is required in order to give effect to Treaty, this could follow later.

British Bill, it is important to bear in mind, is not a Bill to ratify Treaty, but to empower the Government to take necessary steps to carry out those provisions of Treaty which require legislative authority.

Paris is putting severe pressure upon us to ratify at the earliest possible date, and ratification by the French expected September 2nd or 3rd.

I should be grateful if you will inform me that procedure will be adopted by your Government. My reason for suggesting resolution of both Houses is that this procedure might enable ratification to take place without delay that might be involved in obtaining parliamentary powers for carrying out Treaty.

If, as I hope, procedure by resolution will be adopted, I will assume that on receiving cable to the effect that such resolution has been passed there will be no objection to His Majesty immediately ratifying.

Other Dominions I have telegraphed in the same sense. Milner.

Telegram from the Governor General to the Secretary of State for the Colonies.

Ottawa, August 23, 1919.

Your telegram of August 12th respecting parliamentary approval of Treaty of Peace with Germany. Canadian Government propose to proceed by way of resolution of both Houses in order to expedite the matter. Legislation giving effect to the Treaty will be introduced later.

Telegram from the Governor General to the Secretary of State for the Colonies.

Ottawa, September 12, 1919.

Most urgent.

Following Order in Council approved to-day. Begins:

At the Government House at Ottawa,

12th September, 1919.

Present:

The Governor General in Council:

Whereas, at Versailles, on the 28th day of June, nineteen hundred and nineteen, a Treaty of Peace (including protocol annexed thereto) between the Allied and Associated Powers and Germany was concluded and signed on behalf of His Majesty for and in respect of the Dominion of Canada by plenipotentiaries duly authorized for that purpose by His Majesty on the advice and recommendation of the Government of the Dominion of Canada;

And whereas the Senate and House of Commons of the Dominion of Canada have by resolution approved of the said Treaty of Peace;

And whereas it is expedient that the said Treaty of Peace be ratified by His Majesty for and in respect of the Dominion of Canada;

Now, therefore, the Governor General in Council, on the recommendation of the Secretary of State for External Affairs, is pleased to order and doth hereby order that His Majesty the King be humbly moved to approve, accept, confirm and ratify the said Treaty of Peace, for and in respect of the Dominion of Canada. Ends.

Devonshire.

Telegram from the Secretary of State for the Colonies to the Governor General.

London, Sept. 19, 1919.

Most satisfactory to know that Treaty of Peace with Germany has been approved by Canadian Parliament. As matters have turned out and owing to unforeseen delays on the part of other powers, British Empire will probably be in position to ratify as soon as any other two of the principal Allied and Associated Powers. Parliaments of the Union of South Africa and New Zealand have also approved, and I hope soon to receive telegram announcing that Australian Parliament has approved.

Milner.

That is all the correspondence on this file. I thought it was of such interest that probably the House would not think I had taken up too much time in reading it. It shows that we were right in the contention which we made when we were asked to approve of the resolution in the first instance—the contention that it was not really necessary, inasmuch as Canada had plenipotentiaries in Paris at the time the Treaty was signed—it was not really necessary, according to the custom followed in England heretofore—that the Treaty should be formally approved by Parliament. But, apparently, from this correspondence, it has been arranged between the Government of the Dominion and the Government of Great Britain that this method of approving of the Treaty be carried out, and in doing so we have established a new precedent in constitutional matters of this kind.

With regard to the Bill itself, honourable gentlemen who have read it will notice that we are asked by legislation to approve of the Governor in Council passing Orders in Council. We had a tremendous amount of legislation by Order in Council during the war, and we had hoped that when the war was over this class of legislation would be to a large extent done away with; but

under this Bill we are asked to give the Government power to deal by Order in Council, with different matters arising under the Treaty. If I understand the Bill aright, it will give the Government the power to appoint their representatives in the Assembly of the League of Nations by Order in Council.

Hon. Sir JAMES LOUGHEED: That is not intended.

Hon. Mr. BOSTOCK: I think the Minister of Justice stated in another place that it could be done.

Hon. Sir JAMES LOUGHEED: I think his statement was that it was not the intention in framing the Bill that power should be exercised in that direction at all.

Hon. Mr. BOSTOCK: The point I was wanting to make was that it can be done.

Hon. Sir JAMES LOUGHEED: Oh, yes; I suppose it might be done even without that.

Hon. Mr. BOSTOCK: It may not be the intention of the Government so to do; but if I read this clause aright the Government would have the power to do so if they wished.

It would also, I think, allow the Government to appoint the representatives that are provided for in the clauses of the Treaty that deal with the labour situation. Under article 388 it is declared:

> The permanent organizations shall consist of:
> (1) A General Conference of representatives of the members, and
> (2) An International Labour Office controlled by the governing body described in Article 393.

Then, in article 389 it is declared:

> The meetings of the General Conference of representatives of the members shall be held from time to time as occasion may require, and at least once in every year. It shall be composed of four representatives of each of the members, of whom two shall be Government delegates and the two others shall be delegates representing respectively the employers and the workpeople of each of the members.

I think that honourable gentlemen looking at that will see that those members can also be appointed by Order in Council under this Bill as it is at present drafted.

Then I would draw attention to this, that in the first subsection of clause 1 there is no provision that those Orders in Council shall be laid before Parliament. The second subsection reads:

> Any Order in Council made under this Act may provide for the imposition by summary protest or otherwise of penalties in respect of breaches of the provisions thereof, and shall be laid before Parliament as soon as may be after it is made, and shall have effect as if enacted in this Act, but may be varied or revoked by a subsequent Order in Council.

These Orders in Council, apparently, it is intended shall be laid before Parliament as soon as they are made; but the Orders in Council that are provided for in the first subsection of that clause would apparently not necessarily be laid before Parliament, under the Act. I think it would be very desirable that it should at any rate be understood that in both cases the Orders in Council would be laid before Parliament as soon as possible after they are passed, so that Parliament may at least be seized of what has been done by the Government in regard to these matters.

We can quite understand that, in order to carry out the terms of the Treaty, it may be necessary to provide in this way for the Government making appointments and doing other things by Order in Council, but I would express the hope that this power of enacting legislation by Order in Council may be limited as much as possible.

I do not intend taking up the time of the House any longer in dealing with this matter. The other points that arise could probably be better discussed when the Bill is in the committee stage. But I think it is only fair to point out that in dealing with this matter we have been more expeditious than almost any of the other nations that have been concerned in the making of the Treaty. Our neighbours to the south are still discussing the Treaty, and, as far as we on the outside know, they have not come to any conclusion as to what they will do about it. In France itself, where the people are very much more concerned with the immediate results of the Treaty than we are ourselves, they have taken considerable time in discussing it, and, according to accounts that one sees in the papers, they are likely to take considerably longer time before they are in a position to ratify the Treaty. Therefore I think that we have been expeditious, and that in this matter it might have been possible for the honourable leader of the Government in this House to have given us a little more time before asking us, in the first instance, to approve of the Treaty by resolution.

Hon. Mr. DAVID: Will the honourable leader of the House be kind enough to say what interpretation he places upon this subsection 2?:

> Any Order in Council made under this Act may provide for the imposition by summary protest or otherwise of penalties in respect of breaches of the provisions thereof, and shall

be laid before Parliament as soon as may be after it is made, and shall have effect as if enacted in this Act, but may be varied or revoked by a subsequent Order in Council.

Does the latter part of that subsection mean that any Order in Council may be varied or revoked without Parliament being consulted?

Hon. Sir JAMES LOUGHEED: I would think so.

Hon. WILLIAM ROCHE: Honourable gentlemen, I have read the Bill which has been presented. It is in very simple language, conveys a vast amount of liability, and is far-reaching, under apparently explicit and plain limitations, and I have heard the exposition of it given this evening by the honourable leader of the Government. He very wisely, I think, referred to the speech which he made on presenting the resolution, and made that his preamble.

I want to know where we are. By the correspondence which has been read, it is plain that the Dominion of Canada is, like Mahomet's coffin, between heaven and earth. A gentleman very high in the councils of Canada announced that we were a nation, and that we had the attributes of nationality. Now, we know that we have been a Dominion of the British Crown, that our status was secured under the British North America Act, that we have the Governor General here representing His Majesty, and that all our laws are subject to the surveillance of the British Government. Therefore we were a dependency, and I would like to know by what Act, by what public declaration, or sanction we have been made a nation. It is vain to have declamations about the achievements of our boys at the front as entitling us to nationality and many other considerations which have been advanced. But what is the plain fact? What are we here? Are we here as an independent nation of Canada, or are we here as a dependency of the British Crown? If, on the one hand, we are still, as it is said, attached by leading strings to Downing Street and rejoice to be subjects of His Majesty King George, or if, on the other hand, we are an independent nation, we ought to know it and we want to know it.

For my part, I am not prepared to argue —I have never thought of it—which would be the better condition: Whether we should be a dependency of the Crown, or whether we should be an independent nation. I have not thought of that myself; neither have I heard it argued out. I know this, that if this war had not occurred, and if Canada had had twenty years of peaceful progress she would have been a nation, alongside the British nation, the best ally of the British nation, with all hearts in one—a buttress and defence for the great British nation to which we belong. I do not know what has been the reason for desiring this change. I never heard it expressed in any official quarter. I never knew that our people were disloyal or were dissatisfied with their relations with the British Crown or were inveighing against Downing Street or against the leading strings or anything of that kind. It is quite a novelty, and it appears to me that those who were so anxious on previous occasions to unfurl the British flag and wave it are the people who now are looking for independence and desire to throw aside the British flag. So it appears to me.

This Council of the League of Nations is erected for the purpose of suggesting to the various Powers—and we are to be one of them, apparently—what armaments we shall provide, how much soldiery, how much fleet, and how much money. It seems always to come back to that question: how much money we will provide for the general fund. This Bill provides for an elaborate panorama of officials and negotiations, and banking institutions and clearing houses and ambassadors, I dare say, and all the paraphernalia of nationhood; and, on the other hand, all this is to be done through the Governor General and through the British Government. On which side are we? This Council of the League of Nations ought to have authority to summon certain Powers to carry out the mandates of the Council, but it appears not to have that; it has only a recommendatory power. I take it for granted that the Council is the central power and should have the authority to constrain the various governments and nations that are parties to this League to summon these forces to execute the mandate of the Council, which is the voice of the Powers in general and in combination. But apparently it is a rope of sand. The Council has power to recommend and suggest, and that is all. Unless there is a unanimous vote in the Assembly wherein the Council makes its recommendations, nothing can pass and nothing will come of it.

The various great nations have not totally disarmed. At its own option each one can retain so much military and naval force as that Power thinks necessary. Cer-

tain large divisions of the armies have been disbanded, but large forces have been retained by all the great nations. On the other hand, several of the nations are still at war. Peace has not actually been obtained. Apparently, the whole of Europe is convulsed still, and only the dependencies of the British Government have signed. Apparently other nations have held aloof. It occurs to me that the view is held by a great many thinking people that the League of Nations will never mature, because the objects of the nations are dissimilar, and each one of the great Powers wishes to carry out its own objects. I think that is the reason why great Powers like France, the United States, and Italy—leaving Germany and Russia out of the question—have not signed and obligated themselves to this Treaty. Each one wishes to carry out its own designs of aggrandisement. It is true that a great force is to be provided and that the nations shall contribute soldiers and navies and whatever is necessary, and shall endeavour to coerce inferior Powers by refraining from trade arrangements with them, and by bringing to bear all those forces and compulsions outside of actual war; but sign the Treaty and obligate themselves to it—they have not done it.

That is one side of the question. If the rulings of this Council have no binding force, look at the responsibility we incur under this Treaty. We shall be bound to take part in all wars in Europe, in wars the world over, and will be compelled to contribute to the expense of those wars; while the Treaty lasts we shall be forced to contribute beyond our resources to the maintenance of the views of aggrandisement of some of the Powers. It is true that Great Britain has signed, and we on this side of the House contended that that was all that was necessary. It has been proved now that that was correct, and I hope that Canada in her relations with the British nation will remain in the same position that she occupies to-day, and that we will have a Governor General, and will have King George on the Throne, and will be good, loyal British subjects.

Hon. W. B. ROSS: Honourable gentlemen, I wish to call attention to one or two things in this Bill, and to at least one thing that is not in it that I should like to see in it. The title of the Bill is: "An Act for Carrying into Effect the Treaty of Peace between His Majesty and certain other Powers."

Technically, at least, Great Britain is at war with Germany, Austria, Hungary, Turkey, and Bulgaria. I supposed that the Bill would provide for the carrying into effect of the Peace Treaty already signed with Germany, and the one signed with Austria-Hungary, and would provide for carrying into effect any treaties that might be signed between Great Britain and Turkey or Bulgaria. Upon examining the Bill I find that it deals only with the Treaty between the Allied and Associated Powers on the one hand and Germany on the other. As I understand, that is the Treaty that was signed at Versailles on the 28th of June, 1919, and the Treaty with Austria-Hungary bears a later date. If it is wise to have a Bill to deal with the Germans, I should think it would be good legislation to enlarge the Bill and to provide that the Governor in Council could deal with the Austria-Hungarian Treaty and with the other treaties that are yet to be signed.

Hon. Mr. CASGRAIN: We do not know what they are.

Hon. W. B. ROSS: It is possible, perhaps, that it is not intended that the Parliament of Canada should have anything to say about the treaties with those other Powers. If that is so, I should like to know it, and would suggest that the proper title of the Bill would be: "An Act for carrying into effect a Peace Treaty between His Majesty and the Allied Powers on the one hand and Germany on the other."

Then, section 2 of the Bill reads:

This Act may be cited as the Treaty of Peace Act, 1919.

That is all right if we are to be tied down to dealing simply with the Treaty with Germany, and that alone. In my opinion, either the title of the Bill should be changed, or the words "certain other Powers" should be changed to "Germany," or else the Bill should be enlarged so as to enable the Governor in Council to pass Orders in Council dealing with all Powers.

I think the most important thing at the present time is to let the people of this country know the war is over. As everyone knows, this war has turned the Constitution of Canada upside down. By virtue of the exercise of the defense power, the Parliament of Canada has been riding roughshod over every provincial constitution in the country. It is possible that Parliament could let the people of Canada know when the war is over, and when provincial rights

will have full force or effect as they had prior to the war.

Hon. Mr. DOMVILLE: And when the next one will be commenced.

Hon. W. B. ROSS: The next war?

Hon. Mr. DOMVILLE: Yes.

Hon. W. B. ROSS: When the honourable gentleman gets going no doubt we shall have a war.

Honourable gentlemen will find that the British Parliament last session passed "An Act to make provision for determining the date of the termination of the present war and for purposes connected therewith." The peculiarity of that is that the King in Council may declare when the war is over, and that the date so declared shall, as nearly as may be, be the date of the exchange or deposit of the ratifications of the Treaty or Treaties of Peace. Then it goes on to provide that His Majesty in Council may also declare what date is to be treated as the date of the termination of war between His Majesty and any particular state.

We are in a peculiar position. Scarcely three years pass when Great Britain is not at war somewhere. She may declare war on Afghanistan, or on some of the hill tribes north of India, or she may declare war in Africa. We never considered that our Constitution was in the melting-pot, but it would be in the melting-pot all the time if the powers given to the Dominion Parliament for the defence of the country could be invoked whenever Great Britain is at war. So far as the defence of this country is concerned, I think the time has gone by when we had the right to exercise what we might call the autocratic powers that the Parliament of Canada has been exercising with respect to provincial rights within the last four or five years. There may be some doubt about it until there is a formal Order in Council with regard to the war between Great Britain and Germany; but I think it would be better for the people of this country that something more should go into this Bill, or that another Bill should be brought in stating that the war is over. In that respect I am disappointed in this Bill. Perhaps the leader of the Government can tell us whether it is the intention of the Government to bring in another Bill putting the matter at rest.

Hon. N. A. BELCOURT: I think the suggestion of my honourable friend is altogether useless, at all events in the view which gentlemen on this side of the House take. We have said that the ratification of the Treaty by Canada was utterly unnecessary, that the ratification of the Treaty by the Parliament at Westminster is a ratification for the British Isles and for all the Dominions as well. If that contention is right—and it seems to me, in view of the correspondence which the leader of the Opposition has read to us to-night, that it is beyond argument—the Parliament at Westminster will say when the war is over, and will say it not only for the British Isles, but for the British Dominions as well. If the suggestion of my honourable friend were adopted, we might be faced by the strange anomaly that we would say the war was over, and Great Britain would say that it would not be over until another date. Which of those dates would be the correct one? There is only one answer. I do not want to use strong language, but our action would be absolutely useless; we would say the war was over, but that would not carry any weight at all.

Hon. RAOUL DANDURAND: Honourable gentlemen, we have been discussing the question of the date of the termination of the war. Perhaps we might say "wars" instead of "war," because if I am not mistaken Canada declared war on Austria when Great Britain declared war on Austria, and I am under the impression that Canada, by Order in Council, declared a state of war against Bulgaria and against Turkey; the leader of the Government will tell me if I am wrong. It is my recollection that we followed in the wake of Great Britain and declared war as Great Britain did.

Hon. Mr. CASGRAIN: No, we never did.

Hon. Mr. DANDURAND: Well, declared a state of war.

Hon. Mr. BELCOURT: No, no; the Imperial Parliament did that for us.

Hon. Mr. DANDURAND: That is true but I think the Government of Canada declared a state of war against Germany and against the other nations.

Hon. Mr. CASGRAIN: How could we?

Hon. Mr. DANDURAND: But we did. Of course, it was a question of fact. I think I could lay my hand on the official Gazette—

Hon. Mr. BELCOURT: We had not yet discovered that we were a nation.

Hon. Mr. DANDURAND: We did declare that a state of war existed.

Reverting to the question raised by my honourable friend from Ottawa (Hon. Mr. Belcourt) and my honourable friend from British Columbia (Hon. Mr. Bostock) as to the necessity of Canada ratifying the Peace Treaty, there seems to have been a clearly-defined opinion in London that Canada's ratification was absolutely not needed, because in Lord Milner's cablegram of the 23rd July last I find the following:

> We realize at the same time the difficulty in which you are placed by your pledge to Parliament. We are willing, in order to meet this difficulty, to delay ratification (which if we alone were concerned we would desire to effect immediately) as long as we possibly can in order to give you time to lay treaty before your Parliament.

Again, in his telegram of August last, Lord Milner said:

> I strongly advise your giving notice to summon immediately in view of severe pressure being put upon us from Paris to ratify at earliest possible moment. It is impossible to promise that we shall be able to keep back ratification till the eleventh of September.

Apparently the British Cabinet was notifying the Canadian Cabinet that if they intended to call Parliament to ratify the Treaty they had better hurry up, otherwise they could ratify it themselves.

The honourable gentleman from Halifax (Hon. Mr. Ross) said that our Constitution had received quite a wrench during the years of the war; if we took the declarations of some of the Cabinet ministers, it would appear that our Constitution had been officially and regularly altered. One must not forget that the British Constitution is an unwritten one, and may change according to precedents set; but ours is a written Constitution, and, although we may do things to-day which we were not doing yesterday, no precedent is established as to our rights and our obligations, but we stand where we stood before the war, with the Constitution of 1867.

The question is raised by the cablegram of Lord Milner of July 23, as to the right of the King to sign the Treaty without the advice and consent of Parliament. The noble lord takes it for granted that that right still exists in its entirety; yet he somewhat changes the conditions under which treaties are now signed. In the past the King had the sole right to bind the country by signing a peace treaty; in later years that right was tempered by the advice of the Cabinet being required. Lord Milner says:

> In the British Constitution there is nothing which makes it necessary for the King to obtain the consent of Parliament before ratifying Treaty. With perfect constitutional propriety the King can ratify on the advice of his ministers.

There was a time when the King did not need the advice of his ministers. Lord Milner now claims that upon the advice of his ministers the King can sign. What does that mean in the ordinary parlance of to-day? It means that the King no more can sign a treaty of his own volition, but that he can only do so on the advice of his Cabinet. In other words, that means that the Prime Minister of Great Britain alone has the whole power to advise or not advise the King to sign. If we have reached the stage where that power rests upon the shoulders of the British Cabinet, then should not the British Parliament claim the full control and the last word in the ratification of treaties? Because, after all, what is the Cabinet but an executive committee of Parliament? It strikes me as odd that Lord Milner in the twentieth century should appropriate to the Cabinet the right to bind the country to a Peace Treaty without its submission to Parliament, and it is most amusing to see how slowly Parliament is exercising its full power of directing the affairs of the country, particularly in their most important feature, the signing of such a Peace Treaty. The Bill before the British Parliament is similar to that which is presented to us to-day. It involves ratification by implication only, and does not put the stamp of official recognition upon it. As a matter of fact, we know very well that when the Cabinet agrees to sign a treaty it does so with the understanding that it has the confidence of Parliament and that Parliament sanctions the signature by the Cabinet ministers.

I have thought it well to make these remarks because we are apt to forget that the power lies in Parliament and not in the Cabinet. The honourable gentleman from Halifax (Hon. Mr. Ross) is quite right in saying that we have passed through what has been practically a revolutionary time in regard to the Constitution, in our dealings through Orders in Council during this war.

Hon. Mr. BELCOURT: A reactionary time.

Hon. Mr. DANDURAND: A reactionary and revolutionary time. The hour has struck—and it should have struck sooner—when we should return to normal conditions and respect the spirit and the letter of our Constitution by going back as often

as possible to the fountain of all power for important actions and decisions—the Parliament of Canada.

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

NAVIGABLE WATERS PROTECTION BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 11, an Act to amend the Navigable Waters Protection Act.

He said: Honourable gentlemen, in 1918 we amended the Navigable Waters Protection Act, but it has been ascertained in the application of the amendment which was then enacted that no provision was made for the removal of obstructions in navigable waters without the authority of the department. Hence it is desirable that the Act should be further amended in the manner indicated, through the Bill now before us. It is proposed to give to the Government authority to remove any structures that may impede navigation, and that have been erected without the authority of the Government. It almost goes without saying that inherently the Government would have that right; but I am not going to discuss that subject, as it may involve very nice questions of law. However, it is desirable that there should be an express declaration by Parliament giving authority to the Government to remove obstructions of this character.

Hon. Mr. BELCOURT: Will my honourable friend indicate what is the concrete case, or the concrete cases, which have led to the Government introducing this Bill? It looks to me as if the Bill were for the purpose of providing a remedy for some specific case which the previous amendment had not covered. I should like very much to know the occasion which has rendered this Bill necessary.

Hon. Sir JAMES LOUGHEED: I am unaware of any particular case. In perusing Hansard of the House of Commons I notice that that question was submitted to the Minister of Public Works, and I think his answer was that he was unaware of any particular instance in which it would be necessary to apply the proposed amendment, but it was desirable to have the general law amended so that that authority would vest in the Department of Public Works.

Hon. Mr. BELCOURT: It may be that I did not follow my honourable friend closely, or that my mind is not as clear as it should be; but I fail to understand just exactly why my honourable friend thinks it desirable to have this Bill passed. I confess I do not understand why, and I hope that before we pass this Bill we may have an explanation.

Hon. Sir JAMES LOUGHEED: As I understand, my honourable friend asks me for a specific instance.

Hon. Mr. BELCOURT: My honourable friend has told me he could not give any; so I am not asking for that, but am rather looking for some more explicit explanation of the Bill. I do not know what it means.

Hon. Sir JAMES LOUGHEED: As my honourable friend will see in the last section of the Bill, it is an express authority being given to the Governor in Council to remove any obstructions that have been erected in navigable waters without the authority of the Government.

Hon. Mr. BELCOURT: I am afraid that this section means the reverse of what my honourable friend says. "Approved works not to be deemed obstructions to navigation or to be liable to removal, etc."—I think that is the very reverse of what my honourable friend has told us.

Hon. Mr. WATSON: That legalizes them.

Hon. Sir JAMES LOUGHEED: The interpretation of that section is, I understand, that where the authority has been secured to erect a work over or upon a navigable water, even though it may impede navigation, it is properly there and cannot be removed by reason of its being an obstruction to the navigation of the stream.

Hon. Mr. BELCOURT: Would not that result from the former legislation? Is it necessary to provide it here? Would not that be a natural consequence, a necessary corollary, of the existing law?

Hon. Sir JAMES LOUGHEED: Where the authority was given and the work was constructed there would be an implied undertaking or obligation that such work should not block or impede the stream; but in this case, under the express language of the Bill, if the authority has been given for the erection of a specific work, then it is not possible to raise the other question. Of course, the Government could expropriate it, or, by the exercise of its inherent powers, I suppose, make arrangements for its removal, but at the expense of the Government itself. But the question as to its impeding the stream cannot be

raised. As I understand the other section, that is, section 1, it will authorize the Government to remove any structure that has been erected without express authority. There are two provisions: one is for the removal of a structure the erection of which has not been authorized by the Government; and the other provides that if the proper authority was secured for the erection of the work, such authority shall render it proof against the contention that it impedes the stream.

Hon. Mr. LYNCH-STAUNTON: If any person has filled in a large portion of a lake or a bay, would he have to remove the obstruction? I know of several instances of that having been done.

Hon. Mr. BELCOURT: My honourable friend (Hon. Sir James Lougheed) is no doubt right, but I confess I do not understand in what way this alters or affects the legislation as it stands to-day.

Hon. Sir JAMES LOUGHEED: I will make further inquiry into it before we go into Committee.

Hon. Mr. ROCHE: I think that the Bill might have an extension, or perhaps it is intended to cover such cases as I have in mind. There are frequently collisions and other accidents in which vessels are sunk in navigable waters of harbours, and the owners of the vessels are not disposed to lift them up, because the process is a very expensive one. In cases where vessels have been in collision or have been sunk and are impeding navigable waters, there should be some provision whereby the Government could take prompt action to have the vessels lifted and the impediment to navigation removed, the expense afterwards to be borne by the party properly liable for it. I think that, in view of the exigencies of navigation and the extension of shipping, that power should be vested in the Government.

Hon. Mr. BOSTOCK: The honourable member for Ottawa (Hon. Mr. Belcourt) has asked the leader of the Government for a specific case. I may perhaps be allowed to refer the honourable leader of the Government to a question that I asked him two or three years ago. I am sorry that I cannot at present give the exact date. The question referred to a bridge that was built across the Thompson river at Kamloops. I asked my honourable friend what authority had been received from the department for the building of this bridge, which was obstructing navigation and giving the people of Kamloops who used the river, a considerable amount of trouble. The reply I received through my honourable friend from the department at the time was that no such bridge existed. The fact was that the bridge was there, and there was considerable traffic across it. It may be to that particular case that this legislation refers.

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

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

THE SENATE.

Wednesday, October 1, 1919.

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

Prayers and routine proceedings.

PETROLEUM OILS AND SPIRITS.

MOTION FOR RETURN.

Hon. JAMES DOMVILLE moved:

That an Order of the Senate do issue for a return of a statement of imports of petroleum oils and spirits for the fiscal year ending March 31, 1919, and for each month of the unexpired year to date.

He said: Honourable gentlemen, at the risk of being a little tedious, I wish to make a few remarks on this question, and shall ask you to be very patient with me. What I have to say will contain nothing of an offensive nature; on the contrary it will, I think, be interesting not only to the members of this honourable House, but to the public at large.

On May 2, 1918, this Chamber unanimously passed a resolution, which reads as follows:

That in the opinion of this House, in view of the continued world-wide increase in the consumption of crude petroleum oil and its manufactures, including fuel oil, gas oil and gasolene; in view of the fact that up to date Canada has required to import the major portion of Canada's consumption of crude oil and of the manufactures of crude oil; in view of the fact that there is known to exist in Canada deposits of shale containing large quantities of the said crude oil and of Nitrogen, which latter, when converted into Sulphate of Ammonia, is valuable fertilizer, it is desirable that the Government should give immediate consideration of ways and means necessary to encourage the production of crude oil and of Sulphate of Ammonia from these deposits and generally lend such co-operation as may be found necessary to establish permanently the industry in Canada to the end that its full economic value, in its many varied uses, may, so far as may be possible, be conserved within the Dominion.

This resolution I had the honour to move, and the honourable senator from Antigonish (Hon. Mr. Girroir), in a very able speech, seconded.

On April 25, 1918, I also had the honour to move:

That an order of the Senate do issue for a return of a statement of imports of petroleum, oils and spirits during each of the following fiscal years ending March 31, 1909, 10, 11, 12, 13, 14, 15, 16, 17, and for each month of the unexpired year ending March 31, 1918.

The return asked for was brought down and showed that the value of such importations in the year ending March 31, 1917, was no less than $21,455,326. As the value of coal imported during the same period totalled $70,562,357, the total of the petroleum products and coal reached no less than $92,017,683, a total that staggers the intellect.

Last session I asked that certain correspondence, known to have passed between the Government and the British Government, concerning the development of the oil shale deposits of the Maritime Provinces, should be laid upon the Table. The honourable senator who leads this Chamber informed me, on June 7, 1919, that this could not be done, because the correspondence "was of a confidential character."

This is the inquiry which I made, with the answers thereto:

Canada—Department of the Secretary of State.

No. 48, Minutes of Proceedings of the Senate 17th June, 1919, page 459.

No. 1.

By the Honourable Mr. Domville:

1. Has the Government of Canada, or any of its Departments, had any communication or correspondence from the British Government, or from officials of the War Office or Admiralty or the Government in reference to supplies of Fuel Oil from Canadian sources, and especially as regards the possible supplies that may be obtained from the oil shales of the Maritime Provinces?

2. If so, on what dates, and what replies were given?

3. Will the Government lay the correspondence before the House at an early date?

4. Did the Government of Canada or their officials, have any communication with the owners of the Albert Mines, New Brunswick, with respect to such inquiries?

5. Did the Government of Canada have any communication, officially or unofficially, with the Board of Trade, St. John, N.B. on this question of Oil or Oil Shales? If so, when, and what was the reply of the said board?

Answers:

1. Yes. (Despatches relating to this question are confidential and not such as might properly be laid on the table.)

2 and 3. Answered by No. 1.

4. No.

5. No.

(Sgd) M. Burrell,
Secretary of State.

For myself, I cannot imagine the existence of any correspondence that concerned the development of natural resources that are the property of the Government of the provinces and not of the Government of Canada, that would or could be of such a character that the Canadian Government could not produce them. If there be such documents, they certainly should have been produced, if only to remove from the minds of the Provincial Governments and of the citizens of the provinces interested, any suspicion that the Canadian Government were interfering with provincial rights.

It would now appear that in another place Sessional papers No. 254, dealing with another section of this great question were, under date of May 12, 1919, brought down by the Minister of the Interior, who did not plead that they were of a confidential nature.

As the mover of the resolution so unanimously passed in 1918, I desire to ask the honourable senator, the leader for the Government in this Chamber, what the Government has done to carry out the expressed wishes of this Chamber, so clearly indicated in that resolution.

I would ask if it is true that the British Admiralty at one time offered to provide certain financial assistance should it be necessary to secure in Canada the immediate development of its resources of oil.

I would ask if this be true? I have reason to believe that it is true. Then I ask, why did not the Government take advantage of such a proposition in order to secure such development?

I would ask why were not the negotiations commenced by Sir Francis Hopwood, on behalf of the British Admiralty, who came purposely to Canada, brought to a favourable conclusion as regards to development of the oil yielding shales of the Maritime Provinces.

Is it to be supposed that the Canadian Government, at the time when the Government of Great Britain and of the United States are each expending very large sums of money for the sole purpose of increasing the production of petroleum oils could have, for one moment, become parties to any conspiracy to prevent in Canada any increase in the production of such oils. When the Minister of the Interior (without permission from the company making a cer-

tain offer) exposed to the officials of the Imperial Oil Company that offer, the Government experienced no anxiety about such papers being confidential. Surely there is room for the belief that in the reply I received "the wish was father to the thought."

In the year 1913 Nova Scotia supplied the province of Quebec with 2,456,416 tons of coal, in the year 1918 with only 134,449 tons—a difference of 2,321,967 tons. The difference was made up by increased importations from the States. This year the States, owing to labour troubles and to exportations to Europe and South America, will be unable to supply such deficiency as before. What will the result be?

Professor H. E. Armstrong, speaking in London, England, a month or two ago, states:

> In view of the prospective world's shortage of petroleum, it will be criminal folly, mark, criminal folly, if we fail to produce all the oil fuel we can.

If not to produce be, in the opinion of experts, "criminal folly" in England, is it not also criminal folly in Canada, or does Canada and the Canadian Government claim immunity from crime and also from folly? Is not that Government, who through the neglect of their ministers or of their officials, or from motives that are sinister and unthinkable, ignore the warnings given to them, not once but many times, and who persist in a policy that has prevented and prevents the quick utilization of the oil contained in the oil shale deposits of Canada, criminally responsible, and should not the deaths that have occurred and which probably will occur through the lack of fuel, be laid to their doors?

The Montreal Gazette of September 22, 1919, contained the following:

> Britain securing control of most of oil supplies—U.S. almost exhausted looks for new fields, but finds Britain years ahead—Is important already—America finds itself victim of own gambling and waste and forced to pay dearly now.
>
> London, September 20.—Recently E. Mackay Edgar, head of the firm of Sperling & Co., expressed confident views on the ability of Great Britain to hold her own against American competition in an article in Sperling's journal, entitled "The Answer to Mr. Vanderlip." In a further article in the same journal, Mr. Edgar makes an equally optimistic deliverance on the future of the world's supply of petroleum, which he is convinced lies in British and not American hands at present. Mr. Edgar says it seems impossible to overthrow America's predominance in the oil industry, but just as America, although thirty or forty years ago the great timber producing country, is now in the grip of a timber famine, so he is convinced first, that she is rapidly running through her stores of domestic oil and is obliged to look abroad for future reserves, and secondly, that these reserves are owned or controlled by British capital.
>
> "More oil," says Mr. Edgar, "has probably run to waste in the United States than has ever reached the refiners. Improvidence, carelessness, a blind gambling spirit, have marked all except the most recent phases of the industry. The great oil fields of the United States are nearing exhaustion, and it is not believed that the new ones which are being proved will yield anything like the old prodigal production. America has recklessly and in sixty years run through a legacy that, properly conserved, should have lasted her for at least a century and a half.
>
> "Already, although few people realize it, America is an importer of oil. Last year she imported from Mexico 38,000,000 barrels of forty-two gallons each. Like foresighted men, however, Americans are now diligently scouring the world for new oil fields only to find that wherever they turn British enterprise has been before them.
>
> "We hold in our hands, then," says Edgar, "secure control of the future of the world's oil supply. We are sitting tight on what must soon become the lion's share of raw material indispensable to every manufacturing country and unobtainable in sufficient quantities outside the sphere of British influence.
>
> "I estimate that if their present curve of consumption, especially of high-grade products is maintained, Americans in ten years' time will be importing 100,000,000 barrels of oil yearly. At £2 a barrel that means an annual payment of £200,000,000 per annum, most, if not all, of which will find its way into British pockets."

I have seen a letter written by the right honourable the Prime Minister, in which the right honourable gentleman states:

> The matter can only be decided by Council as a whole and cannot be determined by any one minister.

This statement, of course, is true, but the collective responsibility does not remove the individual responsibility which rests equally with the Premier and with every member of the Government, because each have their redress from any decision of the Council that is manifestly injurious to Canada and to Canadians.

The President of the Society of Chemical Industry of Great Britain has lately stated:

> He had heard it said that coal had been too cheap. He did not think that reproach would be uttered any more in the future. We were faced, not only with a great increase in the price of fuel, but we were face to face with a very serious diminution in the output and that was a subject of the utmost gravity.

Such is the situation to-day in Britain. The situation next spring in Canada as to fuel is likely to be even more serious, because whilst Britain exports coal, Canada, and especially Eastern Canada, has to import both coal and oil. I ask, what immediate action does the Canadian Government propose to take?

Dr. Baskerville, of the College of the City of New York, in a paper read in September last before the American Institute of Mining and Metallurgical Engineers, stated—I quote from the Transactions:

> The retarded development of that valuable asset (oil-yielding shales) of the province of New Brunswick involves a pathetic history, which is lamentable. This was especially true when the product was so much needed in the prosecution of the war.

Three years ago the Canadian Government were warned that a crisis was approaching in the supply of fuel. That warning was ignored, and the only possible adequate remedy, so far as Eastern Canada was concerned, was rejected.

In the spring following, whilst the late Minister of Finance was enjoying the balmy airs and genial climate of Southern California, men, women and children were being frozen to death in Canada through lack of fuel. Last winter, but for the termination of the war and the accident that the good God sent Canada an unusually mild winter, similar or worse misery would have materialized. Who can say what may occur next year?

I have been informed that Inverness (Nova Scotia) soft coal is now being sold in the city of St. John, N. B., at no less a price than $10.50 per short ton of 2,000 pounds, ex ship. If such be the price today, what is likely to be the price next winter?

Mr. Louis Simpson, industrial and mining engineer, of this city, has made this question a special study. From work done on the oil shale question, this gentleman is rapidly acquiring an international reputation, which it would appear is easier to be gained by an expert than any recognition from the Canadian Government. He has for years back persistently pointed out to the Government a sure and easy way by which the present situation can be relieved and also by the adoption of which many of the millions of dollars now being sent abroad may be retained at home. The bunker coal requirements of Canada total 2,000,000 tons per year. This coal can, with advantage to all concerned, be replaced with fuel oil and this fuel oil can be obtained in Canada. The coal so released would go far to relieve future scarcity. Not only will a ship fired with fuel oil carry more freight, but the steamers will carry their freight to the destination in less time, and with a less cost of labour and repairs. The present high cost of labour and consequently of ship construction makes the use of oil fuel economical, apart from the relative cost of the respective fuels.

I do not need to tell honourable gentlemen about the cost of constructing ships. They know it too well. As honourable gentlemen are aware, the ship Renown, which brought His Royal Highness the Prince of Wales to Canada, was run on nothing but oil. My honourable friend the Minister of Labour understands how labour is simplified—how the work of firing in your boiler and getting up steam is reduced and so much dead weight in the shape of coal is eliminated; so that oil, because of the small space required and the lesser weight, is very valuable. This is a matter which everybody understands.

What in the past has prevented the development of Canadian deposits of oil-bearing shales? The answer is plain. It is the imposition by the Canadian Government of heavy duties upon the material and machinery required—material and machinery in the main not produced in Canada. The import duty and war tax often total an imposition of 42½ per cent.

It is the belief of many persons that the machinery used in the mining industries is admitted into Canada free from any import duty, and in another place even such a high authority as the late Minister of Finance expressed such an opinion; but this is not the case. It is true that certain old-established wealthy and therefore powerful concerns have induced the Government, from time to time, to grant them concessions permitting them to admit free of duty and in some cases of war tax "sundry articles of metal, when for use exclusively in mining and metallurgical operations," and also "for the extraction of precious metals," by certain patented processes named; but the officials of the Department of Customs have ruled that those exceptions do not apply to the needs of the young, and at present, non-established industry that seeks to recover from the shales of the Maritime Provinces their commercial contents. The policy of protection, as understood by the present Government, is not protection for weak, struggling, and new industries, that naturally need assistance, but the protection of old-established rich corporations that require no protection. "Unto those that have shall be given, but from those that have not shall be taken even that which they have." This is no way to create a prosperous Canada, but only a way by which Canada may be made prosperous in patches, at the expense of the majority.

The Government has gone so far as to permit the importation of "Articles of Metal," when used for the transmission of fuel gas, at a reduced customs duty, whilst insisting that when similar articles are to be used for the transmission of fuel oil full duty must be collected. Can any member of this Chamber find or invent—if such invention were possible to any honourable member of this Chamber—any plausible reason why a favour should be granted to fuel gas, which is refused to fuel oil?

What justification can the Government advance for the continuance of the war tax? This tax was authorized upon the statement made by the late Finance Minister that the tax was but a temporary one. The war is over, but the tax is still levied, at any rate so far as the machinery required for mining and retorting oil yielding shales. For every dollar received by the Government through the imposition of this tax, two, and, perhaps, three dollars are taken out of the pockets of Canadian consumers. No wonder Canadians are complaining about the high cost of living. The war tax, as levied, has become a means by which the Government has secured for the established industries of Canada an increase in protection, without the consumer catching on, and to this extent the Government is directly responsible for the present high cost of living.

No industry that expects to have to compete for its share of the world's trade of the future, when sanity has been re-established and the present abnormal prices have been reduced to more reasonable rates, is prepared to accept, in the construction of new works, the handicap of to-day's high prices, plus the import duty of 35 per cent, plus the war tax of 7½ per cent. If the members of the Government have lost their sense of proportion capital certainly has not, and it is because the Government up to date has refused to extend to the new, but much to be desired industry, similar favours to those they have granted and continue to grant to old established industries, that Canada is not to-day producing all its requirements of petroleum and also the requirements of Canadian shipping for fuel.

If it be desirable for Canada to produce within her own boundaries her requirements of petroleum, and who dare contend that it is not desirable? If it be desirable that Canada should increase the production, within her own borders, of fuel—and in the face of the evidence that has been recited, who will dare to say it is not—then it is manifestly the duty of the Government to so amend its laws and regulations that that which is desired may take place. The Premier, in his letter already quoted, has tried to shuffle the responsibility on to the Privy Council. Each member of that council will probably desire to make some similar shuffle, but no one member of the council can escape the consequence of the acts of the whole.

The situation is as follows:

The war and its subsequent events have largely decreased the production of coal fuel in England, France, Belgium, United States and Canada.

The extended use of the motor transportation has increased and will continue to increase the use of products of petroleum by leaps and bounds.

There is already a scarcity of coal and the reserves of petroleum are being depleted.

In Western Canada, the Government has been spending a very large sum of money, the expenditure of which has been directed by an electrical engineer (in conjunction with the representatives of two western provinces, which representatives are equally little acquainted with lignite and producer plant technics) in an endeavour to produce out of lignite an economical household fuel. Up to date the results obtained are not important commercially. Under the circumstances, it would have been strange if they had been.

In Eastern Canada considerable money has been expended in an endeavour to provide peat fuel, with the result that from 1,000 to 2,000 tons may become available for use in the city of Ottawa. Neither of these costly experiments will solve the Eastern Canada shortage. I am quoting from the Ottawa Journal of September 26, 1919.

Eastern Canada relies for its supply of fuel upon Nova Scotia, New Brunswick and the States. The shipments to the province of Quebec from Nova Scotia are away behind the normal pre-war standard. The production in the States is also much less than normal and this lessened production is being called upon to supply countries hitherto supplied from Britain. Is it not evident that Eastern Canada is bound to suffer from the shortage of fuel which neither supplies of peat nor wood can prevent, indeed can hardly ameliorate? Death is the certain consequence following such conditions. The only source of fuel, the development of which could have supplemented the fuel supply of Eastern Canada, was the oil yielding shales of the Maritime Provinces. Yet for reasons, best known to themselves, but which they have not

thought wise to make public, the Government has persisted in making it impossible to secure this development. Who then will be morally responsible for the deaths and misery? Surely each member of the Privy Council that created the "impasse."

Certain of the properties have been examined and reported upon favourably by English experts of standing, such as Messrs. H. T. Burls and E. H. Cunningham Craig, both of London, England. The question of the works and machinery necessary has been thoroughly investigated by Mr. Louis Simpson, who has been already mentioned, but the Canadian Government has done nothing to help forward the development, but everything possible to retard it.

Even when the British Government sent out to Canada Sir Francis Hopwood, one of the Lords of the Admiralty, to investigate the very question of oil fuels, the Government never notified the known owners of the proven properties, nor their technical advisers, but kept the honourable Lord of the Admiralty strictly secluded within a little coterie of their own officials, who, indeed, knew next to nothing of the actual situation.

I have intentionally avoided speaking upon the question of the possible recovery from the shale, after the oil has been educed therefrom, of certain by-products. I believe, however, that the interests of Canada require that this Chamber and all Canada should be made aware that oil is not the only product that may be economically recovered from certain of the Canadian oil yielding shales. Not perhaps from all, but certainly from some. It is now known that from certain of the shales, there can be recovered nitrogen and potash, both important fertilizer chemicals. Every one interested in agriculture knows that up to now Canada has been dependent upon foreign sources for her supply of potash. In other, but rarer cases, precious and rare metals in remunerative quantities, may be recovered, and there is a possibility that in certain cases, it may be possible to use the residue for the manufacture of certain qualities of cement. All these several recoveries require machinery upon which large import duties are collected by the Government.

Statement showing the weight and value, also customs duty paid on importations into Canada of fertilizers and materials largely used for fertilizing purposes, as under-mentioned, during the fiscal year 1918-19.

	Quantity. Lbs.	Value. $	Duty. $
Potash, muriate and sulphate, crude	449,657	65,423	Free.
Kainite and other crude German potash salts for fertilizer	176,000	8,852	Free.
Ammonia, nitrate of	738,055	85,822	Free.
Ammonia, sulphate of	140,153	6,949	Free.
Sal ammoniac	693,855	91,235	Free.
Soda, nitrate of, or cubic nitre	84,033,351	3,294,369	Free.
Phosphate rock (fertilizer)		87,524	Free.
Fertilizers, unmanufactured		105,361	Free.
Fertilizers, manufactured or compounded		984,808	Free.
			98,473.50
		$4,730,343	

That, I think, speaks for itself. It will read better than it sounds, and honourable gentlemen can take it to their studios, and work up this question which it has taken me fifteen years to do. I consider that I am doing my duty toward this country and toward those who will come after. They will not have to go through all the trouble that I have gone through; they will not have to meet all the discouragements which I have met in endeavouring to lay before the world the result of my investigations.

It has sometimes been said that the members of this Chamber did little that was of benefit to Canada. I would advance that the members of this Chamber have justified the existence of the Chamber, by the passing of the resolution quoted at the commencement of my remarks, and that if they insist that this matter be given the attention from the Government the facts warrant, the unfair criticisms made by those who do not well understand the work this Chamber does will be answered for all time.

I have the honour to ask my honourable friend the member from King's (Hon. Mr. Fowler) to second my motion.

Hon. GEORGE W. FOWLER: Honourable gentlemen, I must congratulate the honourable gentleman from Rothesay (Hon. Mr. Domville) upon the masterly manner in which he has presented this very important question to this honourable House. At the

same time I am sorry I cannot congratulate the House upon the tremendous interest which they have manifested in the discussion of this important subject.

This is a matter of very great importance. There is in the province of New Brunswick a very large deposit of what is known as oil shale, and, in view of the fact that the fuel of the future will be largely oil, it is of the utmost importance that the oil resources of Canada should be developed, and developed at the earliest possible moment. A very small proportion of the oil that is used in the British Empire is obtained primarily within the British Empire; less than 4 per cent of the total quantity is the product of British countries. This is very strange, when we consider the fact that in the province of New Brunswick we have enormous deposits of this oil shale which is capable of producing annually, for many years at least, an enormous output of oil. This production can be carried on at a profit, giving to this country a tremendous industry which would employ a large number of people and bring into the country a very considerable amount of capital. This, to my mind, is very important to the welfare of the country.

There are other things to which the attention of governments are often directed which fade into insignificance when compared with the subject before us. What the honourable gentleman from Rothesay is asking on behalf of his associates and himself, I understand, is that the Government permit the entrance into this country free of duty of machinery for the purpose of obtaining the oil from the shales. The duty is now 35 per cent, with a war tax of 7½ per cent, making a total tax of 42½ per cent. That means that the capitalists who go into this enterprise, which, like all new enterprises, is surrounded by a certain amount of risk, unless the request of my honourable friend is granted, will have to pay 42½ per cent of their capital, practically, for the privilege of risking the other 57½ per cent. None of this machinery is made in Canada, as there is no such thing in Canada at the present time as the extraction of oil from shale.

This is not a new business, however. Scotland has been extracting oil from shale for nearly half a century, and has been doing it very successfully and very profitably. These New Brunswick shales have been analyzed by the best analysts in the world, and have proved to be at least as good as those of Scotland. Therefore, we have in our own country, in the province of New Brunswick, great potential wealth in these shales, and have the means of supplying to the Imperial Government a very necessary fuel which they are obliged to obtain to a very large extent from foreign countries.

Enormous amounts of British money are invested in Mexico, a country without a settled Government, where they have to take enormous chances. Very recently the Cowdrey interests there were taken over by the Shell Company, I think it is. They have also taken oil from Borneo, from Roumania, and from many other parts of the world, as well as obtaining some in the United States.

The question of the development of these oil shales in Canada is a very important one, and I think the honourable gentleman is to be congratulated whether he is acting from a personal motive or not. If this House were properly seized of all the circumstances, I think it would realize the necessity of something being done. Capital is the most sensitive thing in the world. I have always found it so sensitive that it has been very difficult to touch it, and many other people have had the same experience. To induce people to go into an enterprise which is new in this country is almost impossible. We must get the capital from foreign countries, and they say that if this tax is going to be levied they will have no hand in it. They say, "If your Government takes no more interest in the development of such resources than to levy this enormous impost, we will not touch it." That is the position of affairs to-day; but I trust that the members of the Government here will take this matter up with their fellows in Council, and will try to meet the views of my honourable friend and his associates in this matter.

Oil is not the only thing of value that will be produced; the by-products are worth an enormous sum. They are used as fertilizers. Think of the money that we send to the United States every year for fertilizers. We used to bring a great quantity of fertilizers from the old country, but now, I think, we get most of them from the United States. All this money can be kept at home, and the development of this industry will result in our being able to supply the British Government with the oil that is so necessary and we shall be able to supply our farmers with fertilizers much cheaper than they get them at present. We shall benefit many industries—

Hon. Mr. BRADBURY: And the balance of trade.

Hon. Mr. FOWLER: Yes, we must consider the balance of trade too. It is very important.

I hope that more members will take part in this debate. Of course, I understand that this matter originating in one of the extremities of Canada, in the province of New Brunswick, may not receive all the consideration which I think it should receive. If it came from the province of Quebec, or from the province of Ontario, it might be considered of more importance; but I appeal to the members from Quebec and to the members from Ontario not to shove it to one side as of no value, but to give it the same amount of consideration. Do not be provincial. That is the great fault I have to find with the honourable gentlemen from those two provinces—that they are very apt to be provincial. We in the East are not. We look to the interests of the whole of Canada and are prepared to sacrifice our own interests in many ways for the advantage of the whole country. Let us all be imbued with that same spirit, and, whether the matter belongs to the extreme east or the extreme west, or to the centre, or wherever it may belong, let it be treated upon its merits, and let us give it consideration if it be, or if it appears to be, in the public interest.

Hon. FREDERIC NICHOLLS: Honourable gentlemen, I think every member of this honourable House would be in favour of encouraging anything that would tend to develop our natural resources. I am sure that every member of this honourable House would be only too pleased to lend a helping hand in any proper way to anything that would tend to the development of the material resources of our honourable friend who introduced this subject. The honourable member for Sussex (Hon. Mr. Fowler), however, mentioned that this machinery was of a kind or description not manufactured in Canada, and that there was on it a duty of 42½ per cent, and therefore it became necessary or was advisable that that duty should be rebated in order that capital might be encouraged to invest in the development of the industry. I have in my hand—I have not had time to look at it—a copy of the Customs Act. If my memory serves me correctly, the Customs Act provides specifically in regard to mining machinery that is not manufactured in Canada, that it shall be allowed to be imported free of Customs duty. If that is the case, then the whole argument of the honourable member for Sussex falls to the ground.

Hon. Mr. DOMVILLE: May I interrupt my honourable friend for a moment? The point made was that in the case of gasworks and all that, importations were allowed free of duty, but petroleum from shales the Customs Department ruled could not come in. That is the point I was trying to make. My honourable friend reads the Act as it stands, but it is not carried out.

Hon. Mr. NICHOLLS: All I can say is that, according to my reading of the Act, if the machinery is for mining and cannot be regarded as anything but mining machinery, there is a specific clause in the Act which provides that such machinery, of a kind and description not manufactured in Canada, shall be admitted duty free. Therefore it is not a question of the law. The law, according to my reading of it, appears to be definite and clear. It is a question of interpretation, and I would advise the honourable member from Rothesay (Hon. Mr. Domville) to investigate along that line a little further.

Hon. Mr. DOMVILLE: I shall have the privilege of replying in closing the debate, but before doing so may I state to my honourable friend that that line of action has been exhausted.

Hon. WILLIAM ROCHE: I desire to add a word or two to what has been said in regard to the duty of the Government to assist in any measure or enterprise which will tend to enlarge the resources of the various provinces of Canada. We all agree to that proposition. The oil question is now upon a new basis with regard to fuel for ships. I am not so very familiar with the utilization of mineral oil in other branches —for machinery, for fertilizers, or for other uses; but I know that a very great advance has been made in the propulsion of ships by the use of oil. Not only in ships of the Royal Navy is oil superseding coal, but also in merchant ships, on account of its cheapness, on account of the reduced space which it occupies, on account of its cleanness, and also because of the reduction in the number of men employed in stoking. It is superseding to a large extent the use of coal on routes where oil can be obtained at both ends.

I am told—I do not know it of my own knowledge—that there are large beds of shale in Nova Scotia also. I think the Government could very well assist in having that article mined, and tested as to its oil-

bearing capacity by the Imperial Oil Company, which has established extensive works at Halifax and employs now about 10,000 men, and also has established a town with all the concomitants of very extensive works. They import their crude oil from Merico and from the United States. I think that, with the facility which works of that kind would afford, the capacity and quality of the oil shales in Nova Scotia could be very cheaply tested, and, if they are valuable as oil producers, of which I have no doubt, they would add extensively to the revenues both of the province of Nova Scotia and of the Dominion of Canada.

With regard to the New Brunswick product, I have always heard that it is very valuable and will be a great resource of that province. I cheerfully concur with my honourable friend in asking the Government that they give every facility and every assistance to enable him and others to develop that very valuable product, for otherwise it will be a comparatively barren province.

Hon. E. L. GIRROIR: Honourable gentlemen, I wish to take this opportunity of adding a few words to what has been so well said by the honourable member for Rothesay (Hon. Mr. Domville) in the very able speech which he has delivered. This subject has been before the Senate on two different occasions, and the facts which warrant some further progress in the development of the shale industry in Canada have been amply set forth.

The importance of the shale industry to this country and to the whole world is due to the increased demand for oil. We know from scientific men that the oil sources of the world are not expected to hold out for a very long time, and that it will be necessary eventually to turn to shale in order to supply the great demand for oil which exists to-day throughout the entire commercial world. The shale industry is not a new industry. The process of extracting oil from shale has been in existence in Scotland since 1818, and the industry there has grown to very large proportions.

My honourable friend (Hon. Mr. Domville) has covered considerable ground in his remarks. I was not able to follow him very closely. It may perhaps be of some importance and of some assistance in the determination of the question which he has raised to give you some information with regard to the demand for oil in the United States and to what is being done there to procure this very necessary article. May I point out to you, honourable gentlemen, that, from the first of this year up to the beginning of July last, 5,000 new oil companies have been established in the United States of America with a capitalization of $1,500,000,000. The fact that the combined capitalization of all the Standard Oil group of companies was only $550,000,000 gives some idea of the enormous extent of this development. What is the reason for it? It is because of the demand for oil. The whole mechanical world depends upon oil to-day. Automobiles, motor boats, tractors, motorcycles, aeroplanes, ships, and locomotives are using oil.

So dangerous has the oil industry become to the coal industry of the United States, and so likely is oil to replace coal as fuel, that the National Coal Association of the United States is apprehensive of the danger to the coal industry of the country from the influx of Mexican oil. After fully investigating that question they reported in favour of a duty against Mexican oil, as the coal industry, in which they had invested their capital, was in danger.

Oil is replacing coal to such a large extent, then, that if Canada is to keep abreast of the times and the development in other countries, she must turn some attention to the question of oil and oil development. We have no oil wells in Canada to any great extent, but we have an abundance of shale. My honourable friends have pointed out to you that the shale of Canada is rich in oils and in other materials and minerals which are of the greatest value. If I remember correctly, the figures which we gave a year ago showed conclusively that the oil shales of New Brunswick and Nova Scotia are much richer in oil than the oil shales of Scotland.

Hon. Mr. DOMVILLE: Yes.

Hon. Mr. GIRROIR: This has been proven by analyses made by experts in Canada and in the United States as well. The American Government has taken steps to secure the oil shales of the United States and to have them thoroughly examined and tested. There devolves upon us the duty of seeing that Canada does not lag behind in this industry.

My honourable friend from Rothesay has laboured in season and out of season to promote this industry. He has not received a great deal of encouragement in the past; but if the prophecies of scientific men and business men in the world to-day come true, we in Canada shall some day look back to the work which he has done in bringing to public notice the benefits of

this industry to Canada and the Empire, as having been of the greatest national importance.

The navies of the world to-day are using oil to an extent that was never dreamed of. The merchant marines of the world are using oil. The advantages of oil are obvious. It takes less room on ships than coal; it reduces the labour expense; it is more cheaply and more easily loaded. Mr. Edward N. Hurley, chairman of the United States Shipping Board, said recently:

> If our shipping plans carry out and all ships burn oil, one-third of the world's entire production will be required for American ships alone.

The production of oil in the last ten years has increased enormously, owing to the fact that new oil wells have been opened; but the production of oil has hardly increased in the same ratio as the demand. Oil is being largely used for heating purposes in the United States. Some of the largest buildings which are being erected in New York to-day are equipped with oil-heating apparatus. The uses of oil are so manifold, the demands for oil are so great and will continue to increase to such an extent, that I am sure we are justified in doing everything in our power to place this industry upon a firm foundation in this Canada of ours.

In 1914 the consumption of oil in the United States was 276,000,000 barrels. In the year 1918 the quantity had risen to 360,000,000 barrels. In 1918 they imported from Mexico 15,000,000 barrels of crude oil; in 1918 the importation from Mexico had more than doubled, reaching a total of 42,000,000 barrels.

To my mind, the countries that will take a solid interest in this industry and avail themselves of the natural resources which lie within their bounds to produce oil, will rank among the leading commercial nations of the future. A country like ours, with its extensive seacoasts and splendid harbours and great natural resources, must and will succeed if we take advantage of all the opportunities that are at hand, not only to develop the resources within our borders, but also to place upon the seas a merchant marine equipped in the most modern way, so that our products may be carried to the great markets of the world. If we proceed along these lines Canada will be a great and prosperous nation. If we lag behind—if we are afraid to spend a dollar, afraid to give encouragement to the development of our resources and the building up of great industries within our borders, then we shall be nothing more than a back number, we shall not stand in the front rank of the nations which are going forward along the line of great national development. Fuel oil will some day be one of our greatest natural products, employing large numbers of men and supplying the motive power for tremendously large industries in our country and for fleets to carry the products of these industries to the markets of the world. That is bound to come, and the sooner it comes the better it will be for Canada.

My honourable friend and those associated with him in this great enterprise are not asking so much; they are not asking for such assistance as has been extended to the steel industries that have been established in Canada. They are not asking for bounties; they are not asking the Government to do any more than to remit the duty on the necessary machinery to begin the establishment of this industry in Canada. Surely that is not a very large order; surely that is not an unreasonable request. For my part, having the interests of my own native province at heart, as well as the interests of the rest of Canada, I have no hesitation in supporting the resolution of my honourable friend, which, I believe, is in the interests not only of the province from which he comes, but in the interests of the whole of Canada and the whole British Empire.

Hon. JAMES DOMVILLE: Honourable gentlemen, I have sent for some papers that I did not anticipate I should require so soon—papers showing that the department declined absolutely to consider this question. My honourable friend from Toronto (Hon. Mr. Nicholls) was right as to the tariff; but there is an overriding power, the commissioner and his associates in charge of the tariff, who can decide this, that, and the other. This machinery is very complicated. There is no desire to deprive Canadian manufacturers of an opportunity to make the machinery required. A new industry cannot be developed under the disadvantage of arbitrary decisions as to what shall or shall not come into the country. If what my honourable friend from Toronto has said be true, let the legislation affecting this matter be altered so that such machinery may come in. It has been decided by the Admiralty that this is the very best oil to use in their ships owing to its specific gravity, its freedom from sulphur, and its unexplosive qualities. It will not explode and

give off gas as some other oils will and endanger the machinery. It is an ideal oil.

As my honourable friend has said, the Scotch shale does not yield more than 60 per cent of the quantity of oil given by the shales of the Maritime Provinces. And from the nitrogen that produces sulphate of ammonia they do not produce in Scotland more than 50 per cent of what can be produced in Canada.

Then let us point out the merger between the Anglo-Persian people and the Scotch works. They are literally abandoning the work because of the expense of getting out the oil. The refining end has almost ceased. The Anglo-Persian people, through their agents, say that their object is to import into England rich oils to mix with the poor oils. It was said the other day that our water-powers were going to be the great source of power in this country—that they were going to take the place of fuel, and put the factories of the middle West in such a position that they would not require protection.

There is another point of view from which this question can be looked at, namely, the localization of fuel. They are to-day generating electricity and transmitting it over a cable to place within a radius of 300 miles. This is where oil will come in. Where there is no water-power the oil can be used to develop energy for electricity. From one point, Moncton, Halifax, Fredericton, St. John could be served; but first of all, we must overcome the obstacles which prevent the production of the oil. The other day the Standard Oil Company made an addition of $100,000,000 to their capital—what for? For selling candles? No, they had a sinister motive. Have those people power enough to wrest this valuable asset in New Brunswick from the people? Where do they get their mandate? There must be a concurrence of power somewhere to give it to them. The United States are all that is desirable in many respects. We get capital from them, but we are met with this duty on machinery. We have shown the world the value of this material; we have shown it by analysis, and it is admitted all round —in Paris, London, Edinburgh, Ottawa, and everywhere, and we must be pulled out of the rut. The Standard Oil Company is raising large capital for purposes of development. I have no doubt that oil will be found in Quebec. You will find it in Melville Island and in Gaspé, and it comes down our way, and from there it goes to Newfoundland and to Barbados, and so on round the world to Roumania and other countries.

Are we not making a legitimate request? Have we not before us the fact that the debt of Canada has to be met by increased energy so that our products may go abroad to bring back money to meet the public debt? There is the creditor and there is the debtor, and the debtor must produce more than he is producing to-day in order to meet the demands of his creditor.

Some one has said that I am greater than Moses: he took water out of the rock, but I am taking oil out of the rock. My honourable friends have so fairly covered the ground that they have left very little to be said. I am satisfied that this matter will not only impress itself very favourably on the members of this House but will be spread abroad through the press and will be cabled to England, so that every financial institution in the world will see what we have got, and wonder what the trouble is. The reason must be given. The gentleman who came from the Admiralty was not told anything about it. This knowledge will come before scientists and capitalists. Capitalists are always looking to see how they can get a return for their money, and they will wonder why Canada has done as she has done. One of two things must be true: either the oil does not exist in paying quantities or else it does exist. It has been proven conclusively that it does exist, as is shown in the Blue Books of this country. But we are handicapped by pressure from somewhere, a hidden pressure that prevents the development of a great industry in New Brunswick. But there are other capitalists, such as those I have mentioned, the Imperial Oil Company or the Standard Oil Company, who have more influence than we have, and who can bring more pressure to bear than we can. We might as well go to the United States at once.

I am sorry to have taken up so much of the time of the House, but I have felt it to be my duty. Perhaps my honourable friend the leader of the Government will make some statement as to why the Customs Department, as shown by the correspondence, declined to let this machinery come in. I cannot wait any longer for the papers which I expected to be here, but I may get another opportunity during the sitting of Parliament to take this matter up when I have them with me.

The motion was agreed to.

TREATY OF PEACE BILL.

DISCUSSION ON THE MOTION FOR SECOND READING—DEBATE ADJOURNED.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I crave the indulgence of this House, as since I adjourned the debate eighteen hours ago, I have not had the time to do justice to such a mighty subject as the one with which I am going to deal. I desire to apologize if my discourse is not co-ordinated as it should be.

During last winter, owing to circumstances to which I will refer later, I read a great deal about the League of Nations and of the good that we might get from it.

The first question I want to ask is, why have we in Canada been called upon to ratify the Peace Treaty? There is another treaty between France, England, the United States, and Italy, a treaty of an earlier date, and we have not been asked to ratify it. Why is that? In considering this matter last night, I commenced to see the wolf's ears sticking out of the sheep's clothing. I see now why we are called upon to ratify not the Peace Treaty, as I see it, but the League of Nations Covenant. As we shall be bound by that, we are called upon to ratify the Treaty containing the League of Nations. But the Treaty itself was ratified by His Majesty the King some time ago. If any one has any doubt on that point, I would refer him to Hansard. The leader of the House said that the Treaty had been accepted by Germany, and had been ratified by His Majesty. That being so, the matter was closed. Now we have before us for second reading a Bill. The Bill is very cleverly worded, and one would never think an insignificant little Bill, not as big as your hand, would contain so much. Subsection 3 of section 1 of the Bill says:

> Any expense incurred in carrying out the said Treaty shall be defrayed out of moneys provided by Parliament.

That means to say that if we are called upon by the League of Nations—and, mark you, I am not opposed to the League of Nations—if we are called upon to go to the other end of the earth, by the terms of this Bill we are authorizing the sending of men and the finding of money to pay these men, and so on. So, taking the Covenant of the League of Nations and the little Bill that we have before us, we are committing this country absolutely, and according to many we are signing away the very last shadow of autonomy that we might have had. It has been maintained for years that if we wanted to help our country we could do it of our own accord; it was within the discretion of our Parliament. But when we have signed this solemn contract, when we are party to the Covenant of the League of Nations, whatever may be the decision of the majority of that League, we have to find money and men and to satisfy the demands that may be made upon us, and to honour our signature, for it has not been the practice of the British Empire, or of any Dominion thereof, to regard a treaty as a scrap of paper. So when we are entering into this arrangement we should do so with our eyes open and should know exactly what we are doing. We are binding this country to all the requirements of the Covenant of the League of Nations.

The honourable member from De Salaberry (Hon. Mr. Béique) said, as reported in Hansard, that he thought the ratification of the Treaty by us was absolutely unnecessary. I have his very words here. And only last night the honourable leader of the Opposition read some most interesting communications from Lord Milner. Knowing that some members here would realize that it is unnecessary to ratify the Treaty, it having been ratified by the King, Lord Milner tells us, in order to propitiate us, that it is doubtful whether the House of Commons in England have an absolute right to ratify the Treaty, but they will probably ratify it, and therefore we might do likewise. It has even been suggested how we might ratify it: " You may pass a resolution in both Houses, and that will be an expression of opinion that you are in favour of ratifying the Treaty." But, with consummate ability, he refrains from saying anything about the Covenant of the League of Nations, which accompanies the Treaty.

I take it that there is no honourable gentleman in this House who can read a legal document better than the honourable member from De Salaberry, and I am very glad to see the position which he takes. The honourable member from Ottawa (Hon. Mr. Belcourt) holds exactly the same view. It is a misrepresentation to a certain extent—perhaps the word is too strong—to say that we are here to ratify the Treaty. We are here either to approve or disapprove of the League of Nations; that is why we are here. The honourable member for De Lorimier (Hon. Mr. Dandurand) and the honourable gentleman who is called the middle member for Halifax (Hon. Mr. Roche) also spoke in the same way. We have very often paid compliments to the honourable leader of this House upon his consummate ability. He dealt with this question very nicely.

He knows that every word I say is absolutely true; he did it, as usual, in so nice a way that the Bill we were about to swallow was almost agreeable. And whilst we compliment him so often, I think we must also compliment the leader of the Opposition upon the immense improvement which by his industry he has effected in public life during the last few sessions. He has given us a good example, and last night he caused the scales to fall from our eyes when he read that correspondence. He is entitled to his share of praise, and I am sure that every member on this side of the House will agree with me in offering our sincere congratulations to him for the able manner in which he has been discharging his duty.

The other day I happened to be in the House of Parliament in Paris. A great deal has been said about our hurry to ratify the Treaty. Well, if there is a country that should be in a hurry to ratify this Treaty it is France, which has constant relations with its neighbours. Still I heard a great discussion there, in which no less a person than M. Louis Barthou, who was once Prime Minister and has been a minister in several administrations, stated that it is very doubtful that this Treaty will be accepted unless Article 61 of the German constitution is amended. Article 61 of the German constitution provides for the annexation to Germany of that part of Austria that is German, and that is absolutely against the Peace Treaty. An ultimatum has been sent to Germany saying that unless Article 61 is erased from their constitution, no Treaty will be made with Germany.

Hon. Mr. POWER: They have agreed to erase it.

Hon. Mr. CASGRAIN: I was present in the Chamber of Deputies of France through the courtesy of one who was here a few years ago, M. Viviani, who was good enough to send me four tickets for myself and my friends, to enable us to hear the debate.

Canada was asked to sign because of Article 10, and that article, it seems to me, does not apply to Canada. It declares that all the nations who are parties to the Covenant will see to it that there is no aggression against any territory. Great Britain possesses the territory of the Empire. I do not know that Canada has any territory outside the British Empire. So if there were any aggression against any part of the British territory, it would be England, and not Canada, that would see to it. I do not think that Article 10 is applicable to Canada any more than it is applicable to South Africa, or Australia, or New Zealand, or India.

Once we have signed, as I have already said, we shall have no discretion. Whether a war is just or unjust in our opinion, as God gives us to see right, we shall have to serve and pay. There is where the wolf's ear appears, because, while people say you are ratifying the Treaty and most people believe you are ratifying it, you are instead entering into the Covenant of the League of Nations, and in this Bill we are providing for all the expense that may be entailed.

We had two commissioners at Paris: the Hon. ex-Judge Doherty, Minister of Justice, and the Hon. Arthur Sifton, Minister of Customs, and in the speech from the Throne at last session it was said by the Governor General, His Excellency the Duke of Devonshire, that his advisers were in Paris. Now, that is a vexed question. I doubt very much that this Government ever passed an Order in Council appointing those gentlemen to represent Canada. I think they were rather appointed by Orders in Council passed by the Imperial Government, and that they were there as Imperial representatives, not as representatives of Canada, for I do not see how they could be admitted otherwise. We being a colony, have no locus standi; and that is what people will not understand—that we were not invited, and were not in that great assemblage. However, the Hon. Mr. Sifton and the Hon. Mr. Doherty went in, hanging on to the coat-tails of Mr. Lloyd George and Mr. Bonar Law. Naturally Mr. Lloyd George and Mr. Bonar Law were quite pleased to bring in those who were hanging on to their coat-tails, just as our Catholic bishops, walking down the aisles of our beautiful cathedrals, are pleased to have two or three little pages carrying their train. Our ministers were simply hanging on to the coat-tails of the British representatives, which I say is a humiliating position for our people. Either we had a right to be there or we had not; and I do not think any constitutional lawyer would ever say that we had a right to be there. Therefore, it would have been better to stay out and trust to the Government of Great Britain and the King to make the Treaty as they should, and they should stop "kidding" us—making us believe that we are a nation and have a say. As you have heard the honourable members from Ottawa (Hon. Mr. Belcourt), De

Salaberry (Hon. Mr. Béique), and De Lorimier (Hon. Mr. Dandurand) state, we had absolutely no locus standi there.

If we had any right to be there, what about poor little Newfoundland? You do not see a word about Newfoundland. They have a Government like ours and they have a Governor like ours. Why should they not have been invited? Is it because they are a small and poor country? Could they not have come in behind somebody? If we had any right, Newfoundland would have had a similar right, and Newfoundland would have been there, you may be sure. Small communities are very jealous of any prerogative they may have. But Newfoundland was not represented there, and I challenge anybody to contradict that statement. Newfoundland being very small, she might have been brought in, just as parents who attend festivities of any kind may bring their children, because the children would like to have some ice cream and cake.

I do not intend to discuss in detail the provisions of this Treaty; it is too long; but there is one article, No. 246, to which I would draw your attention. That article reads:

> Within six months from the coming into force of the present Treaty, Germany will restore to His Majesty the King of the Hedjaz the original Koran of the Caliph Othman, which was removed from Medina by the Turkish authorities and is stated to have been presented to the ex-Emperor William II.
>
> Within the same period Germany will hand over to His Britannic Majesty's Government the skull of the Sultan Mkwawa which was removed from the Protectorate of German East Africa and taken to Germany.

This Article caused some hilarity. One person, who has been a Cabinet minister for many years and now occupies a high position, was very much mortified that in that Treaty there was not a word about Canada or our Prime Minister, the Hon. R. L. Borden, and yet it speaks of the King of the Hedjaz, and the Koran, and the Caliph Othman and also of the skull of the Sultan Mkwawa. That ex-Cabinet minister said: "I am very much mortified; he thought we would do better than that."

That gentleman was certainly not as well posted as he should have been. This matter is much more important than appears on the surface. If there was one thing that England did well, it was to restore these very same articles, which to us appear to be laughable, for the very good reason that the King of the Hedjaz has in his territory the two sacred cities of Medina and Mecca, the goal of the pilgrimages of the Sons of the Prophet. The Kingdom of the Hedjaz, as everybody knows, is to the east of the Gulf of Suez and the Red sea, and Aden is on one side of it and Perim on the other. As we are all aware, King George is the greatest ruler of Moslems that there is in the world or probably the greatest there ever was. There are under his absolute sway over 100,000,000 of Mahometans or Moslems. There are 67,000,000 of them in India alone. When we read the other day of England taking possession and holding sway over Persia, after the Russians had retired from the field, we realized that that was part of this same policy, because, in order to propitiate the Mahometans, who form such a large part, over one-quarter, of the population of the British Empire, Great Britain has taken a protectorate and zone of influence in that narrow part of Persia between the Persian Gulf and the Caspian sea. That is 600 or 700 miles at the utmost. Starting from Morocco in the west, the Mahometans extend right across Africa and Asia to the boundaries of China. It is all pretty much in the same latitude. The zone they occupy in Asia is nearly 1,000 miles from north to south, and it is 4,000 or 5,000 miles from east to west. In Africa their territory is 700 or 800 miles from north to south, and it extends all the way across Northern Africa. This narrow strip is the link that binds the oriental and the occidental Moslems. It is a most important territory, and there England will be able to control her subjects on both sides; there she will hold the sieve, and only such news as she chooses will be allowed to pass. By propitiating those people the tranquility of India is assured. The 67,000,000 Mahometans of India are the richest and the most powerful—the employers of labour, etc.; and if Great Britain has the Mahometans of India in sympathy with her, she need never fear any trouble in India. The Afghans are also concerned, because Afghanistan is largely peopled by Moslems. Let me make a prediction. The old city of Constantinople has been in the possession of the Turks ever since 1453, under the name of Stamboul, and all that time it has been the seat of " the Father of the Faithful," although it is not a sacred city. I predict that the Moslems will never allow the Turks to be driven from Constantinople, and Covenant or no Covenant the Sultan will remain in Constantinople, and those who will keep him there are people whom we know very well. I do not blame them

for doing so, because, after all, the British Empire must look after its own interests just as any other empires must do.

Now, as to the skull of the Sultan Mkwawa. He was a great Sultan, and he is worshipped by the Moslems of East Africa. He is a sort of saint. The removal of his skull was just as if some one was to steal from us in the province of Quebec, we will say, the relic of Ste. Anne de Beaupré. The whole province of Quebec would be afire, I suppose.

As to the Koran and that particular copy of it. The Koran was made, as we know, by the son-in-law of Mahomet, who married Fatima, the favourite daughter of the Prophet, for Mahomet, like our Saviour Jesus Christ, had never written anything himself. When I say that our Lord never wrote anything himself, I want to be absolutely right: I think he did write once. When the Jews were stoning an adulterous woman he commenced writing on the sand the sins of those who were lapidating this woman. That is the only writing of His that we have ever heard of Mahomet never wrote, but when Mahomet was dead his son-in-law, with the help of his wife Fatima, commenced to compose the Koran. But there were other persons who had listened to Mahomet, and, lo and behold, there appeared four editions of the Koran, and the people did not know which was the right one. If you read the Gospels of the Evangelists St. Matthew and St. John, you will find that they do not exactly agree as to the details of the passion of our Lord; there is a difference. So there was a difference in the Koran, and that would never do, because the religion of Mahomet is a positive religion—it is a case of positive religion: believe or die. And it being a positive religion, the people said: "We must have only one Koran." Therefore the Caliph Othman had the four versions brought before him, and he said, "Now, we are going to settle this question," and after considerable deliberation one copy was agreed upon. Then he said, "Give me the other three copies," and he destroyed them, so that there should never be any discussion about them. And now England, knowing how precious that original document is, knowing that it is the Bible for Mahometans, says that it must be returned by the Kaiser to the King of the Hedjaz.

Once you approve of this Covenant of the League of Nations, what is your position going to be? There will be other treaties; there will be a treaty with Austria in the near future. I wonder if we shall be called upon to ratify that treaty and to have another session? There will be a treaty with Bulgaria, and I suppose we shall be called upon to ratify that Treaty, because, if it is a good thing to ratify one, it must be good to ratify them all, and we shall have to come back. Then there will be a Treaty with Turkey, and when we ratify that we will say that the Turks will be allowed to remain in Constantinople, because we have a good many friends amongst the Mahometans. But I believe that we shall never hear of the ratification of the other treaties; I think we shall consider that King George is quite able to ratify them, and will say that it is all right for him to do so.

I think the honourable gentleman from De Lorimier (Hon. Mr. Dandurand) made a lapsus linguae yesterday when he said that Canada had declared war on Germany. I should like to know how we would go about it. We have no machinery to do it. How would we do it? I suppose the nearest that we could come to it would be to take a street car and go to Government House and tell the Governor General that we would like to declare war, and ask him if he would be good enough to let the Colonial Secretary know of our wishes. What would come back? There would be a cable: "Devonshire, Ottawa. Tell our children to be quiet or we will have to go and whip them ourselves." Why, even our own little force of militia is only for the defence of our own territory. We are forbidden to go outside of Canada with them, because, forsooth, we might embroil England in a war. Suppose we were to send a few regiments across the border, what would happen? That would be a casus belli. That is why in the British North America Act it is laid down that our militia can only act within the boundaries of Canada and for the defence of our own territories and for nothing else.

We have heard it said for years and years that when England is at war Canada is at war. There is a corollary to that, and it is that when England is at peace Canada is at peace. It should work both ways. I may tell you that in England they are employing their time at peace; they are trading with Germany and are making a lot of money, and it is a good thing they are. I suppose that we too can trade with Germany if England can do it.

The honourable the middle member for Halifax (Hon. Mr. Roche) said what I have often said in this House lately, that Canada is not a nation. I am very glad that some of the people of Canada have the courage

to come forward and say that we are not a nation, but a colony. I am glad they recognize the fact, and realize that as a colony we shall be doing our duty if we serve our King as we have done in the past. We know that another blockade of Germany was declared yesterday; yet we have not been consulted. If we were a nation they would not blockade another nation with whom we were at peace without consulting us.

Hon. Mr. FOWLER: Did they consult Brazil?

Hon. Mr. CASGRAIN: Brazil must have been consulted. The Conference of the representatives of the five Powers is still sitting. The big fellows are called Powers, and the little fellows, States, and we are not even among the States, but are a colony —and if anything is done the ambassadors are there.

Now, as to the Covenant of the League of Nations. I happen to be informed on this point, because last winter I made a speech in this House—I think it was in reply to the speech from the Throne—and for some reason or other, part of that speech was cabled over, and it appeared in the London Times of the 10th of March. A gentleman by the name of Heber L. Hart, K.C., Doctor of Law, University of London, immediately wrote to me that he had read my speech, and sent me a most interesting book which I have before me. It is called "The Bulwarks of Peace." In this book reference is made to several other books relating to the Covenant of the League of Nations. I was very much interested in the question, and took it up. Of course, it is very difficult to condense everything into so short a time. It is proven in this book that eight states are enough to have absolute control. Seventeen hundred million inhabitants are not necessarily consulted, nor even fifty of the so-called independent states.

There is nothing new in this League of Nations. In 1815 there was what is called the Holy Alliance. There was a Congress held at Vienna after the great wars of Napoleon. The whole European world was represented. At that time the Americans did not take part. It was there and then decided that there would be no war. There was no war for quite a while, although six months afterwards 123,000 Frenchmen marched into Spain—a movement that was suppressed. If you go back to the very oldest law you will find that Hugo Grotius in the "De Jure Belli et Paris" advocated a congress of the Christian Powers to enforce peace. He says that the congress should have sufficient strength to enforce its powers, that the armies of those belonging to the congress would provide the forces necessary; because, no matter how right you may be, you must have might or the wrong-doers will have their own way. Therefore it is necessary for this League to have a bigger army than those who are opposed to them, or else right will not prevail. This congress of the Christian Powers was to compel the Powers to accept peace upon equitable terms. That was a golden sentence.

Then, coming down to 1713, L'Abbe de Saint Pierre prepared a plan for the Duc de Sully, who was one of the ministers of Henry IV of France. This was a scheme for a European league, and it comprised ten volumes. Finding that the people did not read the ten volumes, they were condensed into one volume, a copy of which is to be found in the Library here in Ottawa. This was printed and bound in 1736, and is in excellent condition. In that you will find the Fourteen Points and more. You will find exactly what the United States Senate is discussing now. It is the same old story. Every nation that joins this League must lose some of its sovereign power; it must be willing to be governed, not by its own sweet will, but by the will of the majority. Abbe de St. Pierre made that statement, and the same thing is true to-day. He said that not only would the great houses of Europe, as he called them, be secure against foreign invasion, but that a king would be able to resist even civil war, because the other nations would help him to defeat his own subjects if they attempted to rise up against him. After the Treaty of Utrecht was made it was thought that there would be no more war.

The second point was that there would be a monthly levy on all. Under the present treaty I do not know whether it will be a monthly or a yearly levy that we shall have to pay, but there will be a subscription levied, because someone has to pay the expenses of the League of Nations. If we sign we shall have to pay our share. In peace-time this may not be a very great matter, but it may become very expensive because of some wars in which we shall have no say. That is a very important point. We have no vote in these matters. It will be decided by the Imperial Parliament or the King whether or not there will be a war. We shall have no voice, but we shall be able to die, and we shall

be allowed to pay. That is the reason that I have been contending that we should have some representation, and should not go hanging onto the coat-tails of any one else. If there were a federation of the British Empire we should have a vote, although we should have to go with the majority.

Every one who entered this league away back in 1713 renounced the right to make war without resorting to mediation or arbitration, and if any countries made war without the consent of the League of Nations they would have the other members of the League fighting against them. Once we go into this League of Nations—and that is why we should look where we are going—the majority will rule, even against the British Government, and the British Government will consider themselves first, and afterwards—it will be a second preference, as it were, for us.

The fourth point was that any one who disobeyed any of the orders of the League was met by the other nations, who joined together to fight the recalcitrant state. That is something that we should consider now, before entering into this League of Nations. The plenipotentiaries could make rules, and a bare majority governed. None of the fundamental articles could be altered except by unanimous consent. That is almost word for word what the President of the United States proposed. Evidently the President of the United States has been in our library and has read of l'Abbe de Saint Pierre's plan, or else he has a copy of his own.

Coming nearer to our time, we find Kant, the great philosopher, after having wavered one way and the other, in 1797 also advocating a congress of nations in order to make the world a peaceful world forever.

At the beginning of the eighteenth century, at the Hague, there was another congress, at which all the European courts were represented. It was thought that war would be prevented, but, unfortunately, things did not turn out that way. Thus you have had Grotius, Saint Pierre, and Kant. They grasped the essential truth that in order to prevent war the nations must act collectively, and that war would be prevented only while the nations stood together.

Now there has been a change. From the middle ages down to 1850 it was thought that there would be a dismemberment, and that the states would be about equal in size and would be distributed all over the face of the earth. The people of the world had seen the thirteen colonies secede from Great Britain; they had seen Spain losing her American possessions; they even thought that Canada might become independent and that Australia might go its own way. But since 1850, instead of that there has been a consolidation. The United States are closer together now than they ever were before; no one in Canada thinks of seceding from the British Empire; Australia has proved her loyalty. Instead of the Empire breaking up, the opposite has been the case. South Africa has come in. But, with all that consolidation, there are still fifty states which are independent,—little states like Portugal, Greece, Serbia, Montenegro, even Bulgaria and Roumania. Those little countries call themselves independent, although in reality they are not independent. The minute there is a squeal out of them, the big country next to them turns on them. We saw what happened to Serbia.

There are forty-two of these little countries; thirty-seven of them have not an average population of three-and-a-quarter million; they are not as big as Quebec and Ontario. What chance would they have if they were next to Germany or any other big country? They are at the beck and call of the big countries nearest to them.

There are 1,734,000,000 people in the world, according to the latest figures. The enumeration in China is very difficult, and there may be an error in those figures; but apart from that they are pretty correct. Of these 1,734,000,000, 1,450,000,000 belong to the eight great Powers, and the forty-two other states divide the balance amongst them. Six of these Powers have ruled Europe and the world, as far back as we can remember. Now the United States has come into the great world game, as has also Japan. That makes eight great Powers. Now, with a council to act for those eight Powers in enacting the necessary regulations—and a bare majority will have the control—you will see that five of those Powers will rule. When it comes down to voting, the big nations have the advantage. It is like a joint stock company where the majority of shares control, but instead of shares it is population that counts. The small countries are bunched, four or five of them together, and are given one vote. Now we declare that under that Covenant of the League of Nations we are to have a say. How can we have any say? England will be one of the five, but the others that will be elected can vote for somebody, and it will not be an English person.

Hon. W. B. ROSS: It might be.

Hon. Mr. CASGRAIN: Well, it will be very surprising if the four or five cannot find among themselves one to represent them without having to get somebody from outside. The honourable gentleman will admit that there is a very long chance that they will go outside.

Hon. W. B. ROSS: But theoretically they can do so.

Hon. Mr. CASGRAIN: Oh, in theory, yes. Anything can be done in theory.

Hon. W. B. ROSS: That is all we are working on now.

Hon. Mr. CASGRAIN: Then, as I have said, this is a new provision—that there shall be no war without consent, except for the status quo. I suppose that means that a country would not have to consult the League of Nations before defending itself against any power that wanted to upset the status quo. That country would not have to wait to ask for permission to try to put out the aggressor. Also, in a case of voluntary annexation—if one country wanted to be annexed to another, if both parties were agreeable—it would not be necessary to consult the League, and the League would not prevent that annexation. But there is no doubt that the state would have to obey, and the loss of sovereignty is what is at the present moment disturbing so much the United States of America. The United States Senate are not willing that any of the prerogatives of the United States should be in any way diminished.

Hon. Mr. McMEANS: May I ask the honourable gentleman a question? Would he kindly tell us what position this country would be in if we refused to ratify this Treaty?

Hon. Mr. CASGRAIN: I am very glad the honourable gentleman has asked me that question, because I have, right here in Hansard, answers which are much abler than I could give myself. In the first place, I will quote the answer given by my leader (Hon. Mr. Bostock):

> As I understand the Treaty, it will be decided as to exactly what quota Canada and the other nations are to provide in men, in money, in ships, and in other ways. As far as I understand at the present time, we would have been in a stronger position if Canada had not been made a party to this League of Nations further than she would be as a part of the British Empire. We would then have been able to come forward voluntarily and take our stand at any time when the necessity arose, exactly as we did in August, 1914. We would be free to put forward our greatest efforts as we felt inclined.

Some liberty would be left us, but, as I said at the beginning, when we have signed the Treaty every shadow of autonomy that we had will be gone.

Here is another quotation from the speech made by my other leader, the honourable member from De Lorimier (Hon. Mr. Dandurand):

> We have assumed international obligations without obtaining in return an international recognition. We shall never be represented in the council of the League, as the four representatives we could vote for, will not be selected from the British Empire, which will already be one of the nine. I clearly see obligations of great magnitude assumed by Canada under Article 10 of the Treaty; and, since our self-appointed Cabinet ministers had obtained the right to appear in the Treaty and to append their signatures to this historical document, I will not reproach them for accepting it with the obligations comprised therein.

I think that answers the honourable gentleman pretty well.

Hon. Mr. BRADBURY: No.

Hon. Mr. McMEANS: Oh, I think not. That is not an answer to the question.

Hon. Mr. CASGRAIN: Then I will try to answer the question myself if the honourable gentleman does not like the answers from the other members. I have the answer here, somewhere.

Hon. Mr. CROSBY: I hope you get it somewhere.

Hon. Mr. CASGRAIN: I will quote the honourable member from De Salaberry (Hon. Mr. Béique):

> Therefore, I say that our ratification of the Treaty is of no consequence at all. Whether we ratify it or whether we refuse to ratify it, makes no difference whatever; the Treaty becomes effective in all its provisions.

Does that satisfy the honourable gentleman?

Hon. Mr. McMEANS: No.

Hon. Mr. CASGRAIN (reading):

> I call your attention, honourable gentlemen, to the fact that the League of Nations is part of the Treaty, and therefore the moment the Treaty comes into effect, we as parties to the Treaty, being part of the British Empire, are bound by all the provisions of the League of Nations, which is part of the Treaty.

That must surely answer the honourable gentleman. If it does not, then he will not be answered.

Hon. Mr. McMEANS: I am afraid I shall not be answered.

Hon. Mr. CASGRAIN: Here is another:

> If the Dominions were not treated as separate entities, the Empire as represented by the

British Government, would alone be made contributory and each of the Dominions would be free in any given case to decide as to whether or not it would share in the contribution, whether in men or money, with the British Government.

Hon. W. B. ROSS: That is hardly reconcilable with the proposition that it would be all the same whether you signed it or did not sign it.

Hon. Mr. CASGRAIN: But the honourable gentleman (Hon. Mr. McMeans) asked me what position we would be in—whether we would be in exactly the same position whether we ratified the Treaty or not. There is another answer coming from your own side of the House.

Hon. W. B. ROSS: But, according to the honourable gentleman's theory, we would be liable, under the League of Nations, whether we signed or did not, because the British Government had signed.

Hon. Mr. CASGRAIN: Certainly. The honourable gentleman does not deny that himself. Does the honourable gentleman deny that?

Hon. W. B. ROSS: In what way does it injure your position to sign?

Hon. Mr. LYNCH-STAUNTON: You will get into trouble now if you go on.

Hon. Mr. CASGRAIN: No, I don't think so. It is very satisfactory to attract a little attention; it is much better than to have members going to sleep.

Each small independent state will benefit, but we shall benefit, because England can take care of us as well as herself.

Then, the next thing, disarmament would be necessary. By the Covenant of the League of Nations no country will be allowed to have a big army, because that would always be a menace to the peace of the world. And not only will disarmament be necessary, if this League of Nations is to work. The representatives of the five great powers in the first place will ask: "Why are you arming? why are you building ships? why are you keeping up this big army? on whom do you want to make war? you must stop or diminish this armament." Then the representatives of the five great powers will meet. The other four, called in from all the 42 other states, will not have very much to say.

Then there will be no conscription. That will be a sore point with somebody. Conscription will be banished from the face of the earth.

Hon. Mr. CROSBY: That ought to suit you.

Hon. Mr. CASGRAIN: My three sons did not wait for conscription before going to the war.

Hon. Mr. CROSBY: You ought to be satisfied with that, surely.

Hon. Mr. CASGRAIN: Besides, it will be the duty of the League of Nations to watch over inter-statal relations and interfere in them before war can be declared. There will be set up a court of justice to decide questions of law. If there arises any other question than a question of law, it will be the subject of mediation or arbitration. I believe that will do an immense amount of good. Although all the British Dominions outside of the British Isles are called into conference, we have no locus standi, and it will do absolutely no good. Here is a question I would like to ask the honourable gentleman from Winnipeg (Hon. Mr. McMeans): supposing the representatives of Great Britain decide and vote one way and the representatives of the British Dominions vote the other way, what will be the effect?

Hon. Mr. BELCOURT: They have no vote.

Hon. Mr. CASGRAIN: I thought so, but I wanted that point brought out.

Hon. Mr. McMEANS: I do not agree with that proposition at all; I do not agree that the Overseas Dominions have no vote or no influence. The honourable gentleman makes a statement, but I do not know on what he bases it.

Hon. Mr. CASGRAIN: The honourable gentleman may move the adjournment of the debate. Copies of the Treaty are available, and if the honourable gentleman has none I will lend him mine and he may find out for himself.

Hon. Mr. McMEANS: I would not care to move the adjournment of the debate, for the simple reason that, as pointed out in the House of Commons the other day, the country is already paying too much money for time taken up in useless argument, and I do not intend to be a party to putting the country to further expense.

Hon. Mr. CASGRAIN: We have no vote in the council at all. There is a General Advisory Committee composed of representatives of many states, the names of which are all given. These are bunched together in groups having one vote, and that makes four that vote in the council, and we are not in that at all. We are in another category, by ourselves. We are in the Assembly

only, and if there is a general meeting of the Assembly we may give expression to our opinions.

Hon. Mr. CROSBY: And advise them what to do.

Hon. Mr. CASGRAIN: Bear with me for just a few momnts and I shall be finished. A representative body in which all the nations would take part would certainly, I believe, make for the welfare of the universe, as it would be willing to grant justice to every state; and every state, particularly the smaller ones, would receive justice.

In the United States, as we observe, there is a great deal of trouble, and I am sure we all join with the Americans in deploring the fact that their President, Woodrow Wilson, has been taken so ill that he has broken down in the midst of this very important crisis.

Hon. Mr. DOMVILLE: They are all breaking down.

Hon. Mr. CASGRAIN: In New York the other day, Saturday, the papers, both Republican and Democrat, were unanimous in deploring the illness of the Chief Executive of the United States. The last time that my dear lamented leader, Sir Wilfrid Laurier, spoke in Montreal, at a very large meeting held at the Monument National, before the Fifth Sunday Association, he spoke for an hour and a half and held his audience spellbound with his unrivalled eloquence. In the course of that address he said that the United States were a fortunate people, because in their war of independence they had George Washington, in the war between the North and the South they had Abraham Lincoln, and in this great world war they had Woodrow Wilson. He said that it was a great thing for the United States that Providence had given them such men at the critical periods of their history.

One word more and I conclude. Everybody has his pet scheme, and I have mine. The federation of the British commonwealth of nations is an essential condition for the maintenance of general peace. When we have a federation of the nations in the British Empire, and when, as I once heard my old colleague, Sir Richard Cartwright, say, the United States and the commonwealth of nations of the British Empire come together, more will have been done for the peace of the world than anything else that the human mind could devise.

Hon. Mr. POWER: Honourable gentlemen, I do not rise for the purpose of addressing the House, but I wish to ask the honourable gentleman who has just sat down a question, in order that my present somewhat obscured mental vision may be enlightened. Perhaps I was mistaken, but I understood the honourable gentleman in the early part of his speech to say that when England was at war Canada was at war. Am I right?

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. POWER: Well, for the application of that: if under present conditions, without this Treaty and without the League of Nations, Canada is always at war when England is at war, what difference does the Treaty or the League of Nations make?

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, this discussion seems to me to be more or less academic, and I do not propose to say anything generally about the Treaty or the League of Nations. I wish, in the few remarks that I shall make, to speak more of our status. It has been again and again repeated here that Canada is a colony. As I understand it, in the eye of constitutional law Canada never has been, since it came under British rule, a colony. A colony is usually understood to be land which is found vacant and is taken by a civilized nation, or land which is taken from the aborigines. Canada was taken from the aborigines by the French, but when the English came to Canada they came as conquerors. They found here a white race, a civilized people, and this country was ceded to them. I am unaware of any country in history being regarded as a colony which had come into the possession of another country in the same way as Canada came into England's possession. Alsace would not be called a colony when the German Empire owned it. One would not say that the territory of Poland, which was divided among Russia, Prussia and Austria, constituted colonies. Ireland was never called a colony. Why should Canada be called a colony? Canada is territory annexed to the British Empire by conquest. Blackstone is the authority on definitions under English law of colonies. I have not had the opportunity of consulting him for a long while, but I think the status of Canada cannot be included under any of his definitions Australia was a colony originally.

Hon. Mr. BELCOURT: A Crown colony.

Hon. Mr. LYNCH-STAUNTON: A colony.

Hon. Mr. BELCOURT: A Crown colony.

Hon. Mr. LYNCH-STAUNTON: All colonies were Crown colonies originally.

Hon. Mr. BELCOURT: There is quite a distinction.

Hon. Mr. LYNCH-STAUNTON: I do not know of any colony which was not originally a Crown colony. But we will stick to our mutton. The British North America Act is the charter of our liberties, and under the British North America Act we have authority to pass laws for the peace, order, and good government of Canada, and we have taken that to mean that we may raise armies for the defence of Canada; and, if our Government considers it in the defense of Canada, we may send armies abroad, as we have done on two occasions. In fact, we sent an army to South Africa not merely, one would think, for the defence of Canada, but its despatch came within the authority of Canada to do so as a measure for the peace of this country—to keep the Empire together. The Government, as I have said, can raise troops, but the Government cannot declare war. The King alone can declare war. The King has the sole power, absolutely, without the intervention of Parliament. Parliament controls the King, because Parliament supplies the sinews of war. I think it was Lord Grey who lately said that the King would declare war or peace upon the advice of his ministers. That is a new practice lately engrafted on the British constitution. That practice was not recognized by the British Constitution when Canada was made a Dominion, and since Confederation neither the British Parliament nor the British Government has had any authority or any power whatever to pass any law or to make any custom which is binding upon us as a Dominion.

Hon. Mr. BELCOURT: Will my honourable friend allow me to ask him a question? Could the Imperial Parliament to-morrow repeal the British North America Act?

Hon. Mr. LYNCH-STAUNTON: The Imperial Parliament to-morrow cannot repeal the British North America Act and keep faith with Canada. The British Parliament gave independence to the United States; the British Parliament can revoke that and invade the United States, of course. The British Government has made treaties; they may break them. The British Government may repeal the British North America Act, but we would never submit to it. By her strength, but under no constitutional law, without our consent, may Britain revoke the British North America Act. We have been given a perpetual, an irrevocable charter just as British subjects have been given the right of habeas corpus. The British Parliament may take that right away from the people of Britain; but the people would not submit to it. Of course, any nation may pass any law it chooses; but whether it can enforce it is another thing. My proposition is this: that we have as much right to our liberty under the British North America Act as any part of the British people living in the British Isles have to any liberty which they enjoy. Are we concerned with the ratification of this Treaty? It is conceded that the British Parliament must confirm it.

My conception of the Parliament is this. The British Empire is made up of a number of constituencies. We will assume that there are a thousand constituencies in the British Empire; there are in England, we will assume, 300 though there are a great many more; in Ireland we will say there are 60; in Scotland 50; in Canada 200; and so on. The Parliament sits in sections, and is presided over by the King. The British people elect their representatives to sit in the section at Westminster which governs those portions of the Empire which send representatives to that section. The section which sits in Ottawa governs that portion of the Empire which sends representatives to Ottawa; and so on with the other sections. All of our Acts begin: "His Majesty, by and with the consent of the Parliament of Canada," does so and so. In England they say that "His Majesty, by and with the consent of Parliament," does so and so. Parliament does not make the laws: it is the King who makes the laws. The King makes the law for Canada with the approval of Parliament. In signing this League of Nations, we are not in the Council; we are in the Assembly. The King must go to the Assembly first to get authority to make war or to make peace. So the Big Four or the Big Five go to the Assembly first, and by and with the consent of the Assembly they do so and so. That is the theory of it, whether it is the practice or not. I take it, then, that we have only one Parliament. Now, is Canada a nation?

Hon. Mr. BELCOURT: Will my honourable friend allow me to cite article 16, which says, in part:

It shall be the duty of the Council in such case to recommend to the several Governments

concerned what effective military, naval or air force the members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

Does it not ultimately rest altogether with the Council to determine that question?

Hon. Mr. POPE: They must be unanimous.

Hon. Mr. LYNCH-STAUNTON: "It shall be the duty of the Council to recommend;" it does not say "to order."

Hon. Mr. BELCOURT: My honourable friend did not understand my question. My honourable friend says it rests with the Assembly. I say it rests with the Council to say what each Government shall do.

Hon. Mr. LYNCH-STAUNTON: Only to recommend. That is my conception of it, at all events. I may not be able to understand the English language, but I take it that no member of the Assembly can be compelled by the Council to do anything that it does not wish to do.

Hon. Mr. BELCOURT: My honourable friend is all wrong.

Hon. Mr. LYNCH-STAUNTON: If my honourable friend will allow me to finish, he may then attempt to prove that I am all wrong.

Hon. Mr. BELCOURT: I do not want to make a speech; I simply want to put my honourable friend right.

Hon. Mr. LYNCH-STAUNTON: I cannot stand here and be cross-examined all day. The question is whether there is any basis for the argument that Canada is not a nation. Is England a nation? Is Scotland a nation? Is Ireland a nation? Is Poland a nation? Was Poland a nation when she was under foreign domination? Certainly she was a nation. A nation does not mean an independent power, free and clear from anybody else. When one speaks of the nation from the legal point of view he speaks of the British nation; but when he speaks, as one may say, from the generic point of view, he means the English nation. Canada is as much a nation as is England. When you speak from the legal point of view it is the British nation, and it is England, and it is the British Parliament.

Hon. Mr. CASGRAIN: Is there a Jewish nation?

Hon. Mr. LYNCH-STAUNTON: It is a nation.

Hon. Mr. BELCOURT: It is a nationality.

Hon. Mr. LYNCH-STAUNTON: There never was in the history of the world a condition such as exists in the British nation to-day. There never before was a nation like the British nation. There never was any constitution like the British Constitution. The dependencies of France either have representatives sitting right in the Parliament in Paris or are what we call Crown colonies. But we cannot argue from the condition of any other people as to what we must do to adapt the law to our condition. It is a new condition, and we must, as far as we can, adapt the law to our new Constitution. It does seem to me, when one realizes that the King under our Constitution rules this country with the advice of his Parliament, that it is most reasonable to say that whenever the King declares war he declares war as the lord over each Parliament and not the lord over one Parliament, and that when he asks the approval of his advisers, he must ask the approval of his advisers in each of his Parliaments. It would be most incongruous if he did not. The fact that heretofore Kings did not do so is no reason why it should not be done now. We know that our Constitution has widened out from precedent to precedent. We know that our Constitution and the method of governing the Empire has changed without changing any statute. In the Government of to-day one cannot recognize the Government which existed in England in the time of James I, or the Government that existed one hundred years or fifty years ago. It is the customs of the people, not Parliament, that have made those changes. To-day, by practice, by new theories, with the consent of the people of this country, with the consent of the whole Empire, we have declared that the Dominion of Canada, when a great question involving the whole Empire comes up, shall be heard, that no question in which a self-governing member of the Empire is interested shall be answered to affect its interest without its sanction, and that she shall not be, as the honourable gentleman said, a mere train-bearer.

Hon. Mr. BEIQUE: I should like to ask one question of the honourable gentleman. I quite agree with a great deal that he has said, and I speak not by way of criticism, but rather to obtain enlightenment. The honourable gentleman has said, very properly, I think, that formerly it was within the power of the King to declare war without reference to his ministers, but that through the development of the British Constitution it is now admitted that

any act of importance must be performed under the advice of the ministry. If I understood the honourable gentleman, that is the theory he expounded, and in which I concur. Am I correct?

Hon. Mr. LYNCH-STAUNTON: I believe that, yes.

Hon. Mr. BEIQUE: The honourable gentleman proceeded to say that the King declares war under the advice of his ministers. If we bear in mind the theory of the honourable gentleman that the King has different ministers for the different parts of the Empire, when he declares war under the advice of his ministers, he is not, as I understand it, to act upon the advice of his ministers in the Dominions, but only upon the advice of his ministers in England. I suppose the honourable gentleman will agree to that.

Hon. Mr. LYNCH-STAUNTON: No, I will not.

Hon. Mr. BEIQUE: Does the honourable gentleman contend that when the war was declared against Germany the King took the advice of his ministers in Canada?

Hon. Mr. LYNCH-STAUNTON: I will answer the honourable gentleman. I think the development of our Constitution has brought us to this condition. The King may declare a war which will involve the United Kingdom of Great Britain and Ireland upon the advice of his ministers who advise him regarding that part of the Empire; when he declares war and intends to call upon us for assistance, he must obtain the approval of his ministers for the Dominion of Canada. I think that has been the practice, because when he declared war in South Africa he did not ask us for assistance until our Cabinet had approved of it. When the recent war came on he did not turn to Canada and say, "You must send me troops, because my Privy Council, sitting in London has advised me to go to war." No: when he declared war his voice was heard at Ottawa. Our Cabinet, as his advisers, said: "We approve of the war and recommend Parliament to send the troops," and, as my honourable friend the leader of the Government has said, not a dollar of taxation would or could have been imposed upon this country, not a soldier would have donned the King's uniform had not the King's advisers at Ottawa approved of his action.

Hon. Mr. CASGRAIN: How could they clothe them without our money?

Hon. Mr. BEIQUE: I am afraid the honourable gentleman is drifting from the declaration of war.

Hon. Mr. LYNCH-STAUNTON: I do not agree that when England declares war and we approve that we are at war. We are at war in theory, but not in practice.

Hon. Mr. BEIQUE: Whether the honourable gentleman admits it or not, I think it is very plain that when England is at war all the Dominions are at war.

Hon. Mr. LYNCH-STAUNTON: England is never at war; it is the United Kingdom of Great Britain and Ireland.

Hon. Mr. BEIQUE: When the King of England declares war I take it that every part of the British Empire is at war.

Hon. Mr. LYNCH-STAUNTON: But he never declares war until he gets the approval of his ministers.

Hon. Mr. BEIQUE: I say when he declares war every part of the British Empire is at war.

Hon. Mr. LYNCH-STAUNTON: That is the old theory.

Hon. Mr. BEIQUE: That is the theory now. The theory has changed merely in this respect, that the King will not declare war except under the advice of his ministers.

Hon. Mr. LYNCH-STAUNTON: That is the point.

Hon. Mr. BEIQUE: His ministers in London.

Hon. Mr. LYNCH-STAUNTON: Who says that?

Hon. Mr. CASGRAIN: I do.

Hon. Mr. BEIQUE: I should like to have time to say in what I agree with the honourable gentleman; perhaps he would be surprised to see how close together we are, although I cannot follow him to the extent to which he has gone. For instance, when the Treaty of Peace was made, suppose that we had gone upon the theory that the King had to act upon the advice of his ministers as far as the United Kingdom is concerned, upon the advice of his ministers in the Dominions as far as each Dominion is concerned, what would have been the consequence if there had been a difference between the advice given to the King by the ministers in England, and the advice given to him by his advisers in this Dominion?

Hon. Mr. LYNCH-STAUNTON: We would not have sent any troops.

Hon. Mr. BEIQUE: I am speaking of the Treaty of Peace, not of troops.

Hon. Mr. LYNCH-STAUNTON: Then we would not sign it.

Hon. Mr. BEIQUE: No, we would not sign it; but you would be in the same position as if you had signed it. Would you or would you not? I repeat: Suppose all the Dominions had said, "We will not agree; we advise you not to sign that Treaty; we demand another treaty altogether," would the King have divided himself? Can you contemplate such a thing as the King making one treaty for one part of the Empire and another treaty, or half a dozen treaties perhaps, for other parts?

Hon. Mr. LYNCH-STAUNTON: That is one of the anomalies of our Constitution.

Hon. Mr. BEIQUE: One must bear that in mind to see exactly what our position is. I agree with the honourable gentleman when he says that under the British Constitution powers which were heretofore possessed by the King alone are no more possessed by the King alone; and that through the development of constitutional government the people would not permit anything of that kind or any exercise of power in that way. I agree also with the honourable gentleman that our Constitution has developed, although it is a written Constitution. It has developed, maybe not to the same extent as the British Constitution, but it has developed. I also agree with the theory that our status is changing from day to day—that through the development of our Constitution or the development of the British Constitution, we acquire rights which we did not possess before.

Hon. Mr. BELCOURT: We are allowed to do so.

Hon. Mr. BEIQUE: No, I say we acquire rights.

Hon. Mr. BELCOURT: No, no.

Hon. Mr. BEIQUE: The honourable gentleman may have his own opinion, but I have mine. I am expressing my opinion and not the opinion of the honourable gentleman. I am making a distinction. I claim that there is such a thing as absolute power, and there is such a thing as a constitutional power. When we speak of absolute power, we speak, for instance, of such a power as that of the British Parliament to repeal the Canadian constitution. They have the absolute power to do so, but they have not what I call the constitutional power. The repeal of a law of that kind would be an act of oppression which would be considered unbearable and would justify a revolution. In the development of British institutions it has come to be recognized that although a power may exist absolutely, it may not exist constitutionally. Therefore when we are discussing a question of that kind we must agree upon the terms, as we must agree upon the term when we use the word "nation." If in speaking of a nation we mean one having absolute independence, being absolute master of its own constitution, it is perfectly plain that Canada is not a nation in that sense of the word; but if we mean a country that has many of the attributes of a nation, such as that of a fully self-governing state, or that of being party to any Treaty which affects or may affect directly its own interests, Canada may in that sense be considered a nation.

The great difficulty to my mind is this—and I would draw the attention of honourable gentlemen to it. The Treaty is made by the Crown of England on the advice of its ministers. It is the British Empire as a whole which is a party to the Treaty; it is not each of the Dominions, separate from the United Kingdom. Then I say without fear of contradiction—and this proposition has not been contradicted here or in another place—that the moment the Treaty is ratified by the King it is binding upon the whole Empire. Now the difficulty arises as to the League of Nations. The League of Nations being in one sense part of the Treaty, the moment that Treaty becomes binding the League of Nations becomes effective and its Covenant is binding upon all the Dominions. But, as regards the League of Nations, the Dominions are acknowledged as entities separate from the United Kingdom; they are separate members. Therefore the question arises, what is the meaning of that situation, that, although they are all bound by the Treaty, yet as parties to the League of Nations they are distinct members of that League? I suggest that the solution is this, that the moment the Treaty was signed, or was ratified by the King, under the advice of his ministers, it became binding upon the whole Empire, but that it was left to each of the Dominions, as well as to the United Kingdom, to decide whether it would remain in the League of Nations or would withdraw from it. The Dominions could not help being drawn into it, because it was part of the Treaty, but they could avail

themselves of the two years' notice to withdraw from that League. That seems to me to be the solution of the difficulty.

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

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

THE SENATE.

Thursday, October 2, 1919.

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

Prayers and routine proceedings.

INTERPRETATION BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 4, an Act to amend the Interpretation Act.

He said: Honourable gentlemen, the object of this Bill is to make the Interpretation Act applicable to Orders in Council that have been passed under the War Measures Act. There was an Order in Council passed in pursuance of the War Measures Act providing for the interpretation of different Orders in Council in the same way as the Interpretation Act applies to the statutes. As those Orders in Council will expire upon the declaration of peace, it is desirable that this provision should be made by legislation, and this Bill is to meet that situation.

Hon. W. B. ROSS: This Bill is a very important one. It is to be read in connection with the Interpretation Act. The Interpretation Act deals with laws and with existing courts; but these Orders in Council are laws in themselves, and create commissions and controllers for the working out of the Orders in Council. I am not quite sure that this amendment to the Interpretation Act is going to meet the case at all. Say you have a court to-day with jurisdiction over a matter, and you transfer the jurisdiction to another court and destroy the existing court, it works all right; but where you have an Order in Council with a controller, and you destroy the controller and the Order in Council, I do not know that the wording of this Bill is wide enough to enable the courts to have jurisdiction to carry out what is provided for in the Order in Council.

Hon. Mr. BELCOURT: Unlike my honourable friend, my trouble is that the wording is too wide. I do not know just were that Bill would lead us to. The Interpretation Act, which interprets the whole of our legislation, is to apply to these Orders in Council, with all the consequences, and I for one cannot see how far-reaching this may be. I think we ought to know a little more about it.

Hon. Sir JAMES LOUGHEED: I am not forcing it on the Chamber. It is desirable, of course, that it should be dealt with during the present session. It may be said that the Orders in Council are precisely analogous to statutes. They have all the power and the effect of statute law. When we legislate to-day or six months hence, we legislate in view of the fact that there is an Interpretation Act on the statute book, which automatically becomes applicable to all legislation which is passed by Parliament. The same must necessarily apply to the Orders in Council which have been passed; we must regard them as statute laws for the time they are in operation; and, inasmuch as the Order in Council fixing an interpretation for those Orders in Council falls to the ground with the other Orders in Council, there must be some continuity by which we can interpret the laws that have been in force under the War Measures Act. Probably we can discuss this to very much better advantage in committee.

Hon. Mr. BELCOURT: Is there an Order in Council to-day which applies the Interpretation Act to Orders in Council?

Hon. Sir JAMES LOUGHEED: No, but there is an Order in Council dealing with interpretation. That Order in Council of course will fall to the ground with the other Orders in Council. That Order in Council, as I understand, makes the Interpretation Act contained in our statutes applicable to all the Orders in Council passed under the War Measures Act.

Hon. Mr. BELCOURT: We have been making Orders in Council for five years. Has it not occurred to the Government before to pass an Act to make the Interpretation Act apply?

Hon. Sir JAMES LOUGHEED: I suppose legislation could have been brought down at the time the War Measures Act was passed, providing that the Interpretation Act would be applicable to all Orders in Council passed from time to time; but apparently the other course was pursued, of passing an Order in Council making applicable the Interpretation Act contained

in our statutes. Now, that Order in Council will exhaust itself upon the declaration of peace.

Hon. Mr. BEIQUE: Will the honourable gentleman tell us where we can see that Order in Council ?

Hon. Sir JAMES LOUGHEED: No, but I shall be very glad to bring it down.

Hon. Mr. BELCOURT: That Order in Council is just as good and no worse than the other Orders in Council, and if they are going to be continued generally, holus bolus, why is not this one continued with the others?

Hon. Sir JAMES LOUGHEED: It cannot be continued, because immediately upon the declaration of peace that Order in Council becomes exhausted.

Hon. Mr. BELCOURT: So do the others.

Hon. Sir JAMES LOUGHEED: No. I point out that the effects of them do not. They are not operative, but they are operative with respect to anything that may have occurred under the Orders in Council, just as if you repealed a statute to-day, anything done previous to the repeal has full force and effect.

Hon. W. B. ROSS: Statutes which the Orders in Council are said to be made equal to were enforced by the ordinary courts. But the Orders in Council were put into force and worked out by commissioners, controllers, and so on. Now, you continue the Orders in Council, but who is to have the jurisdiction to work them out? Does it pass over to the courts, or are those commissioners, controllers, and so forth, continued in office indefinitely to work out the Orders in Council ? That is the point that I want to understand. I understand the point of the honourable gentleman from Ottawa (Hon. Mr. Belcourt) that this may be a great deal wider than there is any necessity for. I do not know how many Orders in Council there are or how many commissioners or controllers there are.

Hon. Mr. BELCOURT: Or what their functions are.

Hon. W. B. ROSS: Or what they are, or what are their salaries. And the question might very well arise whether, on the day that the Orders in Council ceased to operate on account of the war coming to an end, the jurisdiction under those Orders in Council could not be transferred to the ordinary courts, to wind up any obligation incurred or any right existing under them, instead of continuing these hosts of commissioners and controllers.

Hon. Sir JAMES LOUGHEED: That is a question of policy for the Government to determine.

Hon. Mr. BOSTOCK: I take it, according to what my honourable friend from Middleton (Hon W. B. Ross) has said, that you would require something of the nature of this Bill for the purpose of interpreting those Orders in Council. If, as the honourable leader of the Government has stated, with the proclamation of peace the interpretation Order in Council falls to the ground, would it not be necessary to have this measure for the purpose of interpreting the Orders in Council themselves when the court is dealing with them? In that case perhaps the honourable leader of the Government would give us the information before we go into committee on the Bill.

Hon. Sir JAMES LOUGHEED: I will get the full information.

Hon. Mr. BOSTOCK: We would like to have, if possible, the full information as to the Orders in Council that are effected.

Hon. Sir JAMES LOUGHEED: I take it, for instance, that a commission appointed under an Order in Council passed under the War Measures Act would have jurisdiction to complete the work upon which they had entered, notwithstanding the exhaustion of the Order in Council by reason of the declaration of peace. The commission would not be defunct in so far as it concerned any duties they had entered upon. They could not, however, after that time, invoke the powers of the Order in Council except to complete what duties they had already entered upon. That would be my interpretation of the duties of the commission.

So far as the transfer of those duties to the courts is concerned, the power to make a transfer of that kind could, of course, be conferred; but that is a question of policy to be carried out by the Government. The question is whether it is more desirable to transfer those duties to the ordinary judicial tribunals, or to permit the tribunals already organized under the Orders in Council to proceed to the completion of the duties which they had entered upon.

Hon. Mr. BELCOURT: Perhaps my honourable friend could tell us how it is that doubt has now arisen as to whether these Orders in Council would, automatically, as it were, be read with the Interpretation

Act? My honourable friend has argued that these Orders in Council are equal to an Act of Parliament. If every Act of Parliament has to be read with the Interpretation Act, and if those Orders in Council are equal to an Act of Parliament, what is the necessity for so saying?

Hon. Sir JAMES LOUGHEED: I do not think any doubt has arisen upon it. This is manifest, that there is an Interpretation Act included in our statutes, which from time to time may be amended or may be brought up to any period of time, whereas an Order in Council making applicable the Interpretation Act would become exhausted upon the declaration of peace. I think it is quite manifest that, with an Interpretation Act upon our statute-books, it is very desirable that that should apply and have full force and effect. That is desirable, not only as to the statutes contained in the body of our law, but also as to all Orders in Council having the force of statutes.

Hon. W. B. ROSS: Then I think that the effect of these Orders in Council, unless there are new Orders in Council extending them beyond the war period, would come to an end.

Hon. Sir JAMES LOUGHEED: My recollection is that there is an Order in Council providing that all commissions appointed, or all officers charged with any duties, shall be empowered to proceed to the completion of the duties upon which they have entered.

Hon. W. B. ROSS: If we could get that Order in Council it would throw light on the question.

Hon. Sir JAMES LOUGHEED: I shall try to have all that information.

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

DOMINION BY-ELECTIONS BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill, 13, an Act to amend the Dominion By-Elections Act, 1919.

He said: Honourable gentlemen, we legislated last session upon this subject, and in doing so we apparently failed to give effect to a provincial statute which is in force in British Columbia by which there is a disqualification attaching to all Orientals in that province. The object of the Bill is to give effect to the provincial statute, as to the qualification of voters in that province.

Hon. HEWITT BOSTOCK: Honourable gentlemen, this is a measure which affects peculiarly the province from which I come. When we were discussing the Bill of last session, if my memory serves me aright, I pointed out to the honourable leader of the Government and to this House that this very difficulty was going to occur. We have always had in British Columbia, rightly or wrongly, this provision in our provincial laws—I think, on the ground that these people are not really qualified to understand the conditions under which the Government of this country is carried on. That is probably a good provision.

My honourable friend has said that this Bill will apply to Orientals. It will apply to Indians also.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: I do not understand that this affects any other province than British Columbia.

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

NATURALIZATION BILL.

SECOND READING.

Hon Sir JAMES LOUGHEED moved the second reading of Bill 14, an Act to amend the Naturalization Act, 1919.

He said: Honourable gentlemen, last session, in dealing with the Naturalization Act we gave exclusive jurisdiction to the County Court in Ontario to receive applications for naturalization. It seems that during the last fifty years the Court of General Sessions of the Peace in Ontario had power to entertain applications for naturalization. The withdrawal of authority from that court was unintentional, and it is proposed by this Bill to reinstate the authority which they had formerly. That is the object of the Bill.

Hon. Mr. BELCOURT: Having had some experience in the Court of General Sessions of the Peace I know how desirable it is that it should have the power to grant naturalization certificates. As a matter of fact, I think that the Court of General Sessions of the Peace in Ontario has granted far more certificates of that sort than the Superior Court. It is generally to the Court of the Sessions of the Peace that application is made for naturalization.

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

TREATY OF PEACE BILL.

FURTHER DISCUSSION ON THE MOTION FOR THE SECOND READING—DEBATE ADJOURNED.

The Senate resumed from October 1 consideration of the motion for the second reading of Bill 3, an Act for carrying into effect the Treaty of Peace between His Majesty and certain other Powers.

Hon. R. H. POPE: Honourable gentlemen of the Senate, I do not anticipate adding anything new to the discussion on this Treaty, which is of world-wide importance; but I would ask as a personal gratification the indulgence of this House in order that I may express certain opinions which I possess in reference to it.

We heard yesterday a discussion by the honourable member from De Lanaudière (Hon. Mr. Casgrain). I had anticipated that after his overseas trip he would have brought back some intelligence regarding the issue. I listened attentively to his remarks with regard to the League of Nations; and, while he put the case of the last League very well, he did not do it as well as is done in a magazine article appearing in the August issue of the Nineteenth Century, which goes into fuller detail on this subject. While it is interesting reading, as all historical writings are, yet, we have arrived at a period at which the world proposes to make history for itself, irrespective of the precedents of the past. That is true not only with reference to the League of Nations, but also in the administration of public affairs in Canada and elsewhere. Precedents which were absolute guides for us to follow ten years ago have been set aside, and for many good reasons, and to-day we are to start forward to build for the future, upon the new foundations of a broader, more comprehensive democracy in which is recognized the equality of man.

I listened to the remarks of the honourable member from Hamilton (Hon. Mr. Lynch-Staunton) with very deep interest; and, while not agreeing with him altogether, I concur in much of what he said. I noticed that he disturbed one of the traditions of this House, that is, the Big Four who sit to your left, Mr. Speaker, and who are supposed to possess the legal knowledge of this Senate. He actually got them into a discussion, which I would almost consider a greater violation than a violation of the British North America Act. These legal minde are acute. We need them, but we do not always need them for the purpose of splitting hairs. We will admit that it is their privilege to split a hair once or twice, but when they try to make it finer than that, their efforts lose their effect, whether in this House or any other place.

Honourable gentlemen have referred to the British North America Act. That is not a new document. It is not my intention to read it from start to finish, but I find in section 18 the words, "privileges, immunities, and powers." I do not think the legal gentlemen in this House make a sufficient distinction between privileges and powers. There can be no question of the powers of the King of England in certain directions, as was both stated and contradicted by honourable gentlemen yesterday. The King has the power to declare war with or without the consent of his advisers; but no sane monarch such as occupies the Throne of England to-day would think of utilizing that power to declare war without the approval or consent of his advisers.

The powers that we here possess are supposed to be limited by the British North America Act to those "enjoyed and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland at the passing of this Act." If we were to look at the powers and privileges exercised by the Parliament of Great Britain and Ireland to-day, as compared with those which they exercised when that Act was passed, we would find only a few fundamentals left. The British Parliament saw fit in 1867 to give this Dominion of Canada a charter under which it could govern absolutely within the four corners of the Dominion in matters pertaining to it. We were given that charter for all time unless we chose to ask for amendment. It would be very hard to make me believe, honourable gentlemen, that we do not enjoy the same privilege of varying our customs under that charter as the Parliament of Great Britain themselves enjoy. This may not be an exact legal explanation or exposition of the case, but I think it is practical, and I would be very much astounded if His Excellency the Governor General received word from the Parliament of England, or from the King of England, that we here in this Parliament of Canada were claiming to enjoy some privilege that had not been specially mentioned in that Act. Therefore, I do not think that we need be concerned in looking to the future. The future of Canada is important. The past is recorded, and, I may say, is for the most part well recorded, and that we should be called upon to take part in this League of Nations is not surprising. In fact, to

me it would have been bitterly disappointing if we had not been called there. I should have imagined that the honourable member who has just returned from overseas (Hon. Mr. Casgrain) would discover somewhere in his travels, either in England or on the continent, the high opinion of Canada entertained over there—the recognition of the fact that Canada, through enjoying privileges and freedom under this Act, did go forth to battle without awaiting a call from the front. I should have thought that when the honourable gentleman returned we would have heard from him to that effect; but, instead of that, unfortunately, owing to party entanglements, that spider's web which you cannot see by looking over there, but which you realize every time certain honourable gentlemen arise to speak, wrapped itself about him and brought him back into line; so he said what he did say.

Lloyd George, as Prime Minister of England, endorsed by every leading statesman of England, announced that we would be called to the councils of peace—that we would be consulted in the negotiation of the Peace Treaty; and, honourable gentlemen, we were called. Moreover, the Prime Minister of Canada insisted that we should be represented at the peace table. Some honourable gentleman has said, "You cannot make war." We do not want to make war; what we want to make is peace; that is what we stand for, and that is the reason why we made those tremendous sacrifices on the fields of Flanders—not for war, but for peace. To say that such a self-governing country as Canada did not avail itself of the privilege of sending our battalions there in the interest of peace and civilization would be to say that we shirked the responsibility which devolved upon us when we inherited the northern half, and, I may say, the better half of the continent of America.

Again, some honourable gentlemen make light of the League of Nations; not they alone, but also newspapers, magazine writers, philosophers—the odds and ends of humanity.

Hon. Mr. DOMVILLE: Preachers.

Hon. Mr. POPE: And preachers. Well, honourable gentlemen, let us for a moment review it. This is not the first Treaty of Peace, and I do not believe it will be the last, although I hope it will be. Previously, when Treaties of Peace were arranged in Europe—for that is where the important treaties of the world have been agreed to and signed—the monarchs were practically all upon their thrones. You had the German Emperor, the Czar of Russia, the King of Greece, the Emperor of Austria-Hungary, and so on; and when this treaty was signed there was not a single person representing any of the various empires or nations who could be held responsible for the carrying out of the terms of the treaty. But to-day, honourable gentlemen of the Senate, those monarchs are practically all wiped off the face of the earth. Instead of them, we have these diplomats who form the League of Nations and who have fixed the national boundaries. We have there, though not in a permanent condition, various forms of Government, whatever they may turn out to be. It would be impossible to-day to make a Treaty of Peace on the lines on which treaties were made 50 years ago. To have gone to war and not to have made, in conclusion, some agreement whereby the peace of Europe could be insured and territorial lines of demarcation could be fixed, would have been to waste in that effort the lives of 60,000 Canadians and millions of other lives. Therefore I say, Sir, whether the League of Nations is to be what is prophesied for it—and I hope it will be—or whether it is not to consummate eternal peace, it is well for these emperors, for these fallen dynasties, for the world, that some organization has been created that may deal with it with some hope at least that a peace of permanency may be established.

My honourable friend from Halifax—I think he is the junior member for Halifax—

Hon. Mr. CROSBY: The middle member.

Hon. Mr. POPE: When I said that I forgot you, Sir, which shows the longevity of the peace of Halifax. The honourable middle member for Halifax (Hon. Mr. Roche) said that he felt himself wandering around in a maze, and that he would like to know the written law by which Canada became a nation; he would like to see the statute. Who could make a statute?

Hon. Mr. ROCHE: I beg pardon; I did not say that. I said that I wanted to see the sanction and the authority. Now, quote my words, please.

Hon. Mr. POPE: I shall be delighted, because they are always eloquent. The authority and the sanction by which Canada became a nation? I am going to give it to the honourable gentleman. It was the signing of a treaty with France when Sir Wilfrid Laurier was leading this Government. The change took place over

night, and the honourable gentleman followed Sir Wilfrid Laurier forever after. That is an authority which he will not dispute, surely. In a single night, like a mushroom, we grew to nationhood.

But nationhood is not the result of a single night; I realize that. In order to have the attributes of nationhood it is not necessary that there should be any legislation. It is not necessary that you should have any sanction other than the true, deep patriotism of the people when they are prepared to defend their ideals against the aggressor. When they are prepared to lay down their lives for the defence of civilization, and for their principles, they go a long way in the direction of nationhood without any particular stamp being placed upon them by any outside government or influence in this world. Canada has gone in that direction until we occupy to-day a position envied, if you like, by people who do not want us to grow too rapidly. We are occupying to-day in this world, among the nations, among the thinking people, among the scientific people, among the classical people, among the real people, a position of nationhood, if you so like to call it, that was never occupied before in our history. So we should. Canada made the sacrifice. She made it openly and aboveboard. If we had not had the representatives at the Peace Table, whether Mr. Sifton or Mr. Doherty or some other man or men, to represent us, gentlemen on the other side of the House would have been the first to cry out. I have read their magazines in which they dictated articles; I have read their papers. They laughed at the idea of Canada having members of its Cabinet at the Peace Table. They said that Downing Street had always been a bugbear to them. Why, sir, they do not know that there has been a change in Downing Street. They do not know that we have told Downing Street in the last five years things that they never knew before. We have not only told them, but we have demonstrated in the field of battle and in the field of commerce things that Downing Street never thought of. They do not fully realize, Sir, that before this Treaty of Peace was signed, before the League of Nations was thought of, our representative, the Prime Minister of Canada, was made a Privy Counsellor and sat at the War Board in the War Council, and that we were there close to the machine that was operating for the liberty of the world. Why, Downing Street fifty years ago would no more have thought of that than they would have thought of flying to the moon. And yet you try to tell us that we have not attained the status of a nation.

I do not want to say too much of the residue of a great party; at the same time, it does seem to me, Sir, that there should be some moment in the history of Canada, in the history of the world, in the history of the civilization of this world, when those honourable gentlemen could afford to come out of the wilderness and darkness, and join in a sentiment for the advancement and glorification of the country to which we belong. Perhaps I am asking too much.

We observe that the United States Senate is not satisfied. We observe that they too, for political or party purposes, are attempting to gain some advantage over President Wilson as the representative of the Democratic party. We observe that struggle. That is their own affair—I agree to that. I should like to see them sign the Treaty of Peace; I should like to see them join the League of Nations; but let me tell the United States of America that if they never sign that Treaty of Peace, if they never join the League of Nations, there will be a Treaty of Peace and there will be a League of Nations, whether they are in it or outside of it. What is their complaint?

They say that the British Empire has too many representatives. The honourable gentlemen on the other side of the House say that we have practically none. The United States say the British Empire has too many because it has more than the United States. Why not? At any angle from which we choose to look at it, it is just. In the first place, the British Empire has a greater population than the United States. The British Empire has a population in round figures of 400,000,000; the United States has a population of 100,000,000. In the next place, we made the greater sacrifice in the war. The northern half of this continent made a greater sacrifice than the other half. Some honourable gentleman says, in referring to the British Empire, "But you are taking in India." Yes, we are taking in a possession that sent over nearly a million of soldiers and paid every dollar of their expenses and lent the Allies millions of money besides to carry on the war. But, the United States say, they are dark people. "Yes," I say to them, "but what about your negroes, what about your percentage of dark men whom you will not allow to go into the same church with you, whom you will not allow to worship the same God in the same edifice, whom you

will not allow in the same train with you, and will not allow in the same schools? Surely, under these conditions you do not call yourselves one hundred millions of people."

Under these circumstances, considering the sacrifices that we have made; considering that we went over there more than three years before they did, and that our soldiers held the fort with the French and the British and the other Allies, have we no rights? We kept the trenches. We waited for three long years for the people to the south of us to be intelligently informed that there was a great war in Europe, and at last they came—and I am going to give them credit for coming. I am going to say that the great moral effect upon the French army of the arrival of the American troops in France was wonderful. They had been suffering double sacrifices day by day. It was a discouragement to the German people and to the German army when the Americans arrived, mostly in British boats—because they could not walk. They were welcomed, not as a fighting force in the trenches and in the front line; but the American nation never can claim to have won the war. We were glad to see them there for the reasons that I have mentioned. The British Empire, with a population of 400,000,000, whether dark-skinned or white, sent men to the battle-line and sent them early, and made the sacrifice; and therefore we have the right to greater representation at the Peace Table if we demand it.

It is well that there should be two voices from this great continent. It is better that there should be two forms of Government on this great continent; it is wise, and in the best interests of everybody. If we had not two voices on this continent, we would not have had an army where it was wanted at the right time. Two opinions are better than one, and I believe that as time goes on the American people will come to realize that that is true.

Now, we arrive at the point of progress. The war is ended to a very large extent. We are now starting on for the future. Shall it be a forward movement or a backward one? Shall we have qualified patriotism or whole-hearted patriotism? Whichever is best in the interests of this country should prevail.

Some gentlemen, not only in this House, but outside of it fear the future. They seem to be afraid of the great responsibility that we are about to assume. But, honourable gentlemen, the responsibility is only such as it was made possible for us to assume by the sacrifices of the boys at the front. We are not assuming a responsibility given to us by Parliament. We are assuming a responsibility given to us by reason of the sacrifice made by the boys at the front, and by reason of the position in which they placed Canada in comparison with the other fighting nations of the world.

Now, I say to this House, and to this Parliament, and to all the Parliaments of Canada: "If you are afraid to stand up and take your position and fill the place made for you, you should go, and we should go, and we should not stand on the order of our going." The sacrifices made for us on the field of battle mean more than is signified to-day. You have unrest everywhere to-day, but from that unrest will come a consolidation of strong public opinion, and that public opinion, if Canada is to advance as she wishes to advance, will demand progress, broader lines of trade, and recognition of the position that was made for us. The nations who stood foremost in the great struggle and who won the greatest recognition were those nations that had developed to the greatest possible extent their resources, their manufactures, and their commerce. Germany held the world at bay because she had done that. England sent over a small army, but was able to withstand the shock. Our people worked not only in the trenches but also at home, for we had developed our commerce; we had a national policy which had created industrial prosperity and made it possible for us to send to the allied armies munitions of inestimable value, manufactured by our own people, who had never manufactured munitions before; and they manufactured them as well as any other country furnishing munitions, and as cheaply. So, honourable gentlemen, industrial life means not only development in time of peace, but also protection of the liberties of the world.

Under these circumstances, I say it behooves Canada to realize that, with the magnificent resources that nature has given her, if she is to occupy the place which this Treaty has given her, she must follow no narrow policy. If we are to become within fifteen years the nation which the world expects us to be, as compared with our present small populations, we must adopt a broad policy—for that purpose if for no other. I need not describe the resources of this country. It is well known that they are unlimited. But natural resources are

of little avail unless you have the courage to adopt a policy for the development of them. Take the case of Mexico. I venture to say that there is no territory of the same size in the world as wealthy in natural resources—in its soil, its minerals, etc.—as Mexico. But, because she has not followed a policy of development, because she has not adopted the fundamental things that have made for the progress of the world, namely, industry and transportation, Mexico stands lowest in the list of nations. It has been proven beyond doubt that the foundation upon which civilization has been built is industry and transportation.

Take Central Europe. When a battle was fought there 100 years ago, an army of 150,000 or 200,000 was considered an immense army. The areas are the same today as then. There is no new-found land; it is all the same; but the population has continued to increase, and in the last five years there was gathered together an army of millions to fight on that same ground where hundreds of thousands were fighting as great armies a century ago. Why has that become possible? Because of economic and industrial development and the development of transportation. The result has been that it is now possible for ten men to live where only one man lived before.

If we are to grow and to occupy the place which I believe we should occupy, then I say we should look forward to unlimited markets. We have only two industrial centres in the Empire: one is Canada and one is England. There are 400,000,000 of people to cater to under our own flag. Why not have the freest possible trade and development, industrial and otherwise, within the British Empire in order that we may expand, in order that our industries may grow, in order that we may manufacture more cheaply at home the products required by our own people, and that we may draw more closely together the ties which some honourable gentlemen in this House, and persons outside of this House, cannot understand. It is almost impossible to describe in the English language that bond which unites the various parts of the great Empire to which we belong. It was a puzzle, a surprise, to the Kaiser of Germany, and it is a surprise even to ourselves. It is indescribable, but we have inherited it, we are maintaining it, and it is producing results.

Reference is made to Article 10 of the Peace Treaty. Article 10 says that if the political independence or the territory of any of the Associated Powers who are signatory to this Treaty is threatened, then the other signatories will come forward to its defence. Who objects to that? But some honourable gentleman says, "Oh, but it will involve you in all the wars of Europe." Honourable gentleman, this world is tied together by commerce and electricity and air communication more closely than ever before, and we in this northern half of the continent of America cannot sit down and refuse to take our share of world responsibility whether the nation to be defended be a big or a little one. The peace of the world is as much to us as it is to any of the central powers of Europe, and we are in duty bound, whether we like it or whether we do not like it—we are in duty bound as a member of the brotherhood of nations to take our share of responsibility by contributing men and money to defend and perpetuate the civilization of the world.

I observe that there is to be an Assembly as well as a Council. This question was dealt with by the legal gentlemen yesterday. The Assembly is to be the talking place just like this Chamber, while the Council is executive, to put into force what has been decided upon after discussion and has been handed down to the Council. The Council must be unanimous. That is, in my estimation, its weakness. The Assembly may have a majority, but the Council must be unanimous. Well, honourable gentlemen, to say that the responsible men of the world representing the highest and best in our civilization, who are gathered together in Europe, or anywhere else, and who bear the terrible responsibility which rests upon every nation they represent, are not going to be discreet and wise and are not going to do their best to avert war, would mean an attempt to borrow trouble from a source where it is not to be found. Man is a troublemaker himself. Not only is it guaranteeed that the Council shall not exercise any power unless the members are unanimous, but it has behind it the promise of those powerful nations that they will give effect to the orders of the Council. Why should they not? The Council would not be worth anything more than the visit of my honourable friend (Hon. Mr. Casgrain) overseas if it did not have that power and authority of the best nations of the world behind it, to warrant them in imposing an order upon any nation that undertook to transgress beyond reasonable limits. I see nothing objectionable in that, or in the fact that the Assembly is formed by representation of all the nations, while

the Council is not. But somebody who wants to say something objects: "Why, we shall never be there; England will be there." Then the next minute he says: "It will always be necessary for England to be there." Well, then, if it is always necessary for England to be there, why should we be there? It is the Empire that will be represented.

But, honourable gentlemen, we have had great questions before us in days gone by. I remember the Behring Sea question. Who prepared the brief in the Behring Sea question? Charles Tupper, afterwards knighted as Sir Charles Tupper. Who went as one of our representatives? Sir John Thompson. Who was at Washington years before that as one of the delegates from England? Sir John A. Macdonald. Time and time again, long ago, when little was known of Canada, our representatives were delegated to undertake high responsibilities in other lands than this. Therefore it is not true to say that we shall not be represented.

It is equally untrue to say that this is a bad bargain. It is the best that could be made by the delegates at the Peace Conference in the few months that they were there. It is not correct to say that the representation in the League of Nations will not be broadened. There is a provision for broadening the membership of the Assembly, and it may be remodelled in many ways in the interests of peace. Let us have faith. "Oh, ye of little faith!"—have faith.

Hon. Mr. DOMVILLE: In what?

Hon. Mr. POPE: Have faith in the Empire and in the eminent men who stand for high ideals.

I am glad to observe also in this Treaty of Peace that there is a special place for the honest labourer of the world. In this Treaty of Peace he occupies a new position. I am glad also to be informed on undoubted authority that the delegates from Canada, led by the Right Hon. Sir Robert Borden, were the principal agents in giving the men of labour a place in the world's Treaty. That carries with it a great responsibility on the labour men. Just as Canada's representation places on Canada a greater responsibility, so the representation of labour places a greater responsibility on labour, and labour must rise equal to its responsibilities. Labour men must appreciate that they have the same rights, the same opportunities and benefits, from the world's Peace Treaty as have the capitalists or any others. I am very sympathetic with labour—so much so that I have been called socialistic in my views. If, 20 years ago, or less, I hired a man with a wife and a family at $1 or $1.25 a day and said to that man, "Go to work, feed your family, clothe them, send your children to school, and pay your bills," I did not think that man had any advantage over the slaves who had no bills to pay. That was my opinion and it is my opinion still.

But that does not mean that labour has no limitations upon the amount it may charge for its daily efforts. The moment that labour charges more than its efforts are worth, labour gets out of employment and goes out of business. That is bad not only for labour, but also for every industry in the Dominion of Canada, or the country to which that labour belongs. Capital has to be protected or it will not invest. A Conference took place, I understand, in this Chamber during our recess, and at that Conference capital was represented on one side and labour on the other. If I had the management of that, I would have mixed up the members. I would have put first a labour delegate, then a capitalist, then another labour man, and so on. I would not have allowed them to sit on opposite sides. That is not good. I tell you, the human touch is absolutely superior to any resolutions you may pass. I do not think it was right to allow labour and capital to separate as they did. However, that Conference is a commencement. Capital must distinctly understand that it can no longer drive the man to the machine. That cannot be done. The man who goes to work goes intelligently, and capital must understand, from this day forward, that all men are born equal, and if they live righteous, decent lives and fulfil their duties as citizens, they are entitled to some reward in this world before they pass over to the great majority.

I find, honourable gentlemen, that other people are thinking of us. I was reading some remarks of Sir Charles Parsons, President of the British Association for the Advancement of Science, in which he said in part:

> During the present trend of development in harnessing water-power and using up the fuel resources of the world, one cannot but realize that, failing new and unexpected discoveries in science, the great position of England cannot be maintained for an indefinite period. At some time, more or less remote, and long before the exhaustion of our coal, the population will gradually migrate to those countries where natural resources and energy are abundant.

A gentleman who is making a scientific study, with men and money at his disposal, in looking over the world to ascertain where

are the most attractive places, speaks of our 20,000,000 horse-power, of which about 2,000,000 horse-power is developed. Well, 20,000,000 is enough, but if he wants it we can give him 40,000,000. If he wants the greatest untouched forests in the centre of the world, he will find them here. If he wants the greatest mineral zones in the centre of the world, he will find them here. If he wants the greatest fishery resources in the world, he will find them here. If he wants the best agricultural land in the world, he will find it here in the Dominion of Canada. It is capable of sustaining a population twice as large as that of all England or the British Isles. He says that these young men of enterprise, of keen spirit, sons of rich men and well-informed men, will migrate to that country. Another man, somewhere else, says that for the future the centre of the Empire, England, is not so safe as it used to be before the submarine and the aircraft, and that the capital of the great Empire is no longer safe. I hope that is not true; but, honourable gentlemen, if it is, if the centre of this Empire is not safe in London, then I say, we have here one-half of a continent belonging to the British people, and they can plant their new capital in Canada, where it will be safe from molestation, safe from starvation, and will not be crippled by being unable to obtain fuel or power, independently.

But somebody says, "Oh, but you will have jealousies." There are no jealousies in the face of a great calamity. Jealousies disappear; they are wiped out. If the time ever arrives when England feels that the capital of the Empire is not safe in England, it can be transferred here to Canada. True, honourable gentlemen, there will be none of us living. But we are not living to-day for to-day's sake. If we are here for any purpose, it is for the future of this country; it is to guide the development of Canada so that she may become the greatest of all the possessions under the British flag.

Somebody said yesterday that we shall be fit for independence. Honourable gentlemen, we shall never be fit for more independence than we possess to-day. We have absolute autonomy in the matter of civil rights; we have absolute rights in regard to trade and commerce. We are independent in our criminal law and everything else. When the population of this country is 100,000,000 we shall recognize that the great centre of this Empire was England; that England made it possible for us to become great; that she cast round us, when we were in our infancy, the power of her fleet and her armies; that she took care of us like a baby in the cradle until we grew up to manhood and became even greater than our sires.

Under these circumstances, honourable gentlemen, I know of no reason why we should falter or hesitate—why we should think for one moment that in the League of Nations or in any other arrangement, Canada is not going to be represented by Canadians; and I know of no reason under the sun why we could not legitimately aspire to being some day the central figure in the greatest Empire that the world has ever know.

Hon. JAMES DOMVILLE: Honourable gentlemen, I admire very much the warlike spirit of my honourable friend. It calls up "the spirits from the vasty deep." But is it necessary to call them up? According to my ideas, Canada has done well. The question now is as to the ratification of the Treaty. We may fairly ask, why did not Newfoundland sign, and why are we called upon to sign a blank cheque? We have been told that it would be seditious not to sign, and no sedition would be allowed. Then we had to back down; we were afraid of the tower—although it is burned down, I believe. While we should honourably and loyally carry out what is required of us, I think we should have a higher ambition, and the spirit I should like to see promulgated in Canada is not the warlike spirit. That is all right when it is needed especially when it is remunerative. By this fight Canada has lost very little in money, but she has lost much in the lives of her people.

I do not propose to take up much of your time; but I would like to state my view. I would rather see Canada, through her legislators, follow the great principle laid down by the Master—peace and good will on earth—peace not at the point of the bayonet, but with liberty. We should be doing something higher than justifying fighting and saying that we are ready to fight again. I am for peace; I am for having a happy Canada; I am for making this country a happy home for its people and for the immigrants who come here; I am for the education of the children, and for teaching them the difference between right and wrong, whatever their denomination may be. I think we should rise superior to the warlike spirit.

Canada has done its work nobly, there is no question about it, and we may prob-

ably be called upon again. But I look upon this continent as entirely apart from Europe. On this continent there are two great Anglo-Saxon peoples, one in the North and one in the South. Those in the North have, I think, a better climate and a hardier constitution. Look at Quebec. It was the old settlers in that province who opened up this country. They were the people who made Canada; it was not our present generation, but the French voyageurs with their clergy. Yet at times we are inclined to find fault with the province of Quebec, and we raise the question of the clergy and all sorts of questions. But that is not what I want. I would rather see all living together, as I said before, in comfort and harmony. Let us build up the two great races here—one in the North and one in the South. There have been brought into this hemisphere new blood and new traditions. The old traditions came from the East into Europe. The people of Europe have had their difficulties. Poland has for a long time fought for her independence. We have been endeavourng as far as we could to clear up the difficulties of the Danubian principalities, but we have not succeeded very far. The net result of the peace deliberations of the English and the French—whom we have been running down—and Italy and the United States is that we are endeavouring to form an alliance that may preserve peace among those eastern races. Be that as it may, we in Canada have nothing to do with the East; we have nothing to do with the traditions of Constantinople or of Greece. We are not concerned in what they do. We must bear in mind the fact that we have here two Anglo-Saxon peoples who must be educated and trained, and who must be guided by good example, but not in the warlike spirit. We have done with fighting. Let us see that both political parties and the people of the whole country do what is best in the interests of the Dominion. If Canada is to become noble, if Canadians are to become a great race, Canada must by its actions set an example to the rest of the world. That is what we want. There have been too many disgraceful episodes all round, but I shall not discuss them, for I do not wish to throw dirty water on anybody. But let us eradicate the evils that exist. There should be a new Canada. Let the Liberals go, and let the Conservatives go. Let there be a new party whose aim shall be to make the country prosperous and happy, and to set an example to the rest of the world, and not to put us down on a footing with Bulgaria, Roumania, or Serbia.

We have in Canada, as my honourable friend (Hon. Mr. Pope) has said, great natural resources that will make Canada a great nation in the future. Let our public men—teachers, preachers, or whoever they may be—impart to the rising generation a knowledge of the difference between right and wrong. That would be a noble object, instead of the heroics of olden days. We have on this continent fresh blood, and newer ideas, and let us establish here a new race, that our children may be able to say that their fathers legislated in their interests, and taught them that might is not right.

I am now speaking to the country. I want every man who desires to do right to listen to my words. We in the Senate are now passing this Bill, as we must do, although we know very little about it. If we were to say anything against it, we should be considered unpatriotic. The best thing that we can do is to pass it. If there is no other effect, our statesmen who went to Europe have come back with gilded wings, and they look on Canada, not as they did when as boys they were following the plough, or something else. They have gone overseas, and have come back showing learning and feeling their superiority as statesmen and as Canadians. They are willing to reward anybody in Canada who plays the game of holding up the flag.

We may have to fight anywhere in the world, although we may not be directly concerned. There should be a federation of all the British colonies—if you choose to call them so. Those banded together should be strong enough to set at naught any nations or any combination. Canada should be strong enough to do what is right. Our great difficulty is that there have been too many questions about French and English and Irish. All those disputes should disappear. We should remember that France made Canada; France sent over to Quebec her best blood—and the good work they did was improved upon by others who came afterwards. To-day we are fighting on the side of France, and for France; we are fighting, no doubt, in order that by our coalition with that great nation and the United States we may bring about world peace. For the moment the situation is quiet; but if anybody were to tell me that war is over, I should doubt it very much. How can war be over? Prior to 1914 we thought there would be no more great war, but difficulties

arose in the Balkans and war broke out. Where are we to-day? In the very same position. What have we gained by the war? Nothing except that we have shown the superiority of those nations that have been allied over the barbarians, and we have cemented the bonds of friendship amongst the Allies and are now doing all that is possible to prevent future wars. The question of Poland has been settled; but there still remains the Russian situation, and possibly the time is not far off when another war may break out. I hope it will not. There is a rumour circulating—I do not know how correct it may be—that France will not ratify the Treaty. It is only a flying rumour, but France has not ratified the Treaty yet. If France does not ratify it, where are we going to be, in spite of all our protestations of loyalty and patriotism? There will have to be further expenditure of money and a further contribution of the lives of our young men.

In our predictions as to the future of the Empire and the destiny of the world, I think that we are going too far, and, as I have already suggested, we are not following out the precepts of the Master—our humble Master, who went through the world trying to reclaim it. Nineteen hundred years have passed, and I am afraid that civilization is not much better now than it was then. Something is wrong; what is it? It is the training of the people—the way they are brought up. There is no fear of the moral law, or anything else, because, come what may, offenders have friends at court who will pull them through.

I did not intend to say anything. I desire to congratulate my honourable friend (Hon. Mr. Pope) on his speech, although there was in it a great deal of blood and thunder. Still, it was all right, and it will read well. All speeches read better than they are delivered. But let us consider public opinion. It matters little what we say in our beautiful speeches; what will be said by the mothers of those who sacrificed their lives? Will they be pleased to hear that we are preparing for another war—that we glory in our fighting ability and are getting ready again? No, I am satisfied that the mothers throughout this Dominion will pray to God that we are done with fighting and that we are not preparing for more, but are setting to work, with honest purpose, for the welfare of Canada.

Hon. N. A. BELCOURT: I must offer a double apology for making any observations at this stage. My first apology I must offer to my friend from Compton (Hon. Mr. Pope), that gentlemen on this side of the House—or on the other side, for that matter—should be allowed to make observations which he, properly or improperly, describes as hair-splitting performances. It is rather unfortunate that the House, at this sitting, at all events, has had to put up with hair-splitting on the one hand, and on the other with noise and bluster and bumptiousness, interspersed with much party spirit and party rancour, such as we have had an exhibition of this afternoon; and the House will have to choose between the hair-splitting and this bumptiousness which I have just described. For that reason I must apologize.

I apologize also because I have not had time to prepare my remarks. I may say at once that I had not intended taking part in this debate. I am in favour of the League of Nations; I have always been in favour of such a league. I entirely concur in the remarks which have fallen from the honourable leader of the Government and from other honourable members of this House in support of the League of Nations. But there have arisen during the debate questions which to my mind are of vital importance to Canada, which ought to be faced by every member of this House, and upon which every member should give his opinion, whatever it may be, even if he must run the risk of being called a hair-splitter.

Now, I cannot help thinking—and I think honourable gentlemen will agree with me when they look over the discussions which have appeared in the press, not only of Canada but also of the United States and other parts of the world—that a great deal of loose talk has been indulged in, in the consideration of this Treaty. Time and again words have been used that have not the significance which has been attached to them by newspaper writers and speakers. Yesterday we heard a great deal about the word "nation". My honourable friend from Hamilton, (Hon. Mr. Lynch-Staunton) dealt with that word as if a nation meant a state. But there is all the difference in the world between a state and a nation, and, unless we can agree to give words their proper significance in discussing a theoretical or academic subject such as that which we discussed yesterday, we are bound to go astray. Let us call things by their proper names, and let us give words the meaning which belongs to

them. Then we shall arrive at the proper conclusions.

What is a nation? "Nation" is synonymous with "nationality." We know there may be half-a-dozen or two dozen or more nations comprised in one state, and that is the case with the British Empire. The Empire composed of the British Isles, India, Canada, and the rest of the Dominions and colonies, is one state, in which we find many nations. What is a state? A state is an organized community possessing sovereign power independently of the rest of the world, and being recognized as such by the other states of the world. Now, is there any one in this House or anywhere who would seriously argue for one moment that proper language as being used in describing Canada as a nation, meaning thereby a state. We are not a state. We are a nation, one of the many nations forming the British Empire; but we are not a state, and, unless and until we obtain power to make treaties directly with other nations, we shall not be a state, so recognized by other states. Of course, they will not treat with us unless they do recognize us as a sovereign state.

Hon. Mr. SCHAFFNER: Would the honourable gentleman give us a definition of "nation"? He has given us a definition of a state.

Hon. Mr. BELCOURT: I think the most apt way to describe a nation is to say what a nation is, and I cannot do it any better than by saying "nation" is synonymous with "nationality." Take, for instance, the French people: France, as distinct from Great Britain, is one nation composing one state. There is only one nation, or one nationality, in France: it is the French people; and the French republic is a state. But in the British Empire, to which we belong, there are many nations, but there is only one state.

Hon. Mr. POIRIER: I am afraid we are down to hair-splitting now.

Hon. Mr. BELCOURT: Here is another honourable gentleman objecting to my giving names their proper significance. He calls it hair-splitting. Of course, if we may not do that, if we are going to continue talking in a loose way, or indefinitely, in discussing very nice questions, such as the present one, we shall go wrong. My honourable friend is the last man who should object that we are hair-splitting in discussing a matter of this kind. He is himself a litterateur, a man knowing both languages thoroughly, and who prides himself on that knowledge. I think he is the last man who should take any one to task for giving words their proper significance.

Hon. Mr. POIRIER: I was answering the remark of the honourable gentleman when he said that we on this side were hair-splitting.

Hon. Mr. BELCOURT: My honourable friend agrees with me.

Hon. Mr. POIRIER: I was simply sending the ball back were it should go.

Hon. Mr. BELCOURT: My honourable friend did not quite follow what I said.

Hon. Mr. McMEANS: I do not desire to interrupt the honourable gentleman; but, while he is defining the difference between "nations" and "states" would he also give us his views as to the difference between a nation and a colony. I gathered from arguments advanced on the other side of the House yesterday that Canada is not a self-governing nation, but she occupies rather the status of a colony, and that is where I would like to see the distinction drawn.

Hon. Mr. BELCOURT: "Nation" and "colony" are not terms that have any relation to one another; they are distinct and different terms, and are applicable to distinctly different things. But it is rather difficult for me to understand exactly what my honourable friend means. If he asks me whether I look upon Canada as a colony or not, I would say yes, it is a colony: Canada is one of the colonies of Great Britain.

Hon. Mr. McMEANS: That is where we differ.

Hon. Mr. BELCOURT: There are different kinds of colonies, and the definition I am making has been recognized all along as the constitutional one. There is the colony, there is the Crown colony, and there is the colony which is even lower than the Crown colony, which has no government of its own, but is wholly and completely administered from London. We are a self-governing colony—an autonomous colony.

Hon. Mr. McMEANS: Does the honourable gentleman see any difference between that and a self-governing nation?

Hon. Mr. BELCOURT: Of course, a self-governing nation is recognized as such by the rest of the states, as a self-governing state is recognized as such by the other sovereign states of the world. We cannot make any treaties.

Hon. Mr. CROSBY: Yes, we can. We have made treaties.

Hon. Mr. BELCOURT: I say we have no power or authority to make any treaty. It is true that on one or two occasions—for instance, in the case of the treaty made with France—we were allowed to negotiate the treaty ourselves; but we had no power to do so.

Hon. Mr. CROSBY: What did Fielding and Paterson do?

Hon. Mr. BELCOURT: Wait a moment.

Hon. Mr. CROSBY: I do not think the honourable gentleman can enlighten any of us by giving us his ideas about the meaning of the word "nation" or anything of that kind. Let him go on with his argument.

Hon. Mr. CASGRAIN: The British Ambassador to France took part in that Treaty, and he signed with Brodeur and Fielding. The British Ambassador did that; we did not do it.

Hon. Mr. BELCOURT: I think I ought to be treated with a little more politeness.

Hon. Mr. CROSBY: I was not intending to treat my honourable friend with anything but politeness; but there is no use in bandying words across the floor, and if my honourable friend has a view different from ours as to what is a colony or a nation, let him go on and tell us what he has to say.

Hon. Mr. BELCOURT: But my honourable friend from Winnipeg (Hon. Mr. McMeans) put to me a question, very politely, and quite properly, and I answered it as best I could; and why any honourable member should find fault with me for doing so is something I cannot understand.

The other point I want to make with regard to this Treaty is that whether we approve or do not approve it makes absolutely no difference. And here again I must call attention to the loose language we have been using in regard to that. What the Parliament of Canada is asked to do is not to ratify the Treaty: Canada is called upon to approve it. The ratification has been made by the Imperial Parliament. The Treaty has been ratified by Great Britain. We are simply asked to say whether we approve or disapprove; and whether we approve or disapprove makes absolutely no difference whatever.

Hon. Mr. POIRIER: Why then are we asked?

Hon. Mr. BELCOURT: If to-day the Parliament of Canada were to disapprove of the Treaty the Parliament of Canada would be bound by it to just the same extent as if it did approve, because the Treaty has been ratified by Great Britain, and that ratification is not only for the British Isles but also for Canada, Australia, and the rest of the Empire. And yet we have heard talk about the necessity for our approval, and the statement that the Treaty will not amount to anything so far as we are concerned unless we do approve of it. That is all humbug. The Treaty does exist and will exist because Great Britain has ratified it, and we are bound by every provision contained in it, not only with regard to making peace with Germany, but also as members of the League of Nations. By ratifying the Treaty Great Britain has made us members of the League, whether, again I say, we approve or disapprove.

Another subject about which a good deal of misapprehension has arisen is that which concerns the working of the machinery devised for carrying out the provisions of the Treaty. The work of the League of Nations is entrusted to an Assembly. As signatories, Canada and the rest of the Dominions, as well as the Imperial authorities, are members of the Assembly. Canada will have its representative in the Assembly and will have the right of discussion and deliberation and voting. Our representative there will have the right to take part in the election of four of the members who will compose the Council. The Council is the executive, which, as was stated by my honourable friend from Compton (Hon. Mr. Pope), is the body which will administer the affairs of the League. The Council is composed of nine members, five of whom are representatives of the five great powers. They will permanently constitute five out of the nine members of the Council. The other four members will be elected by the whole Assembly. It is possible, but it is a mere possibility, and is certainly not a probability, England having already one member in the Council, that it may fall to the lot of Canada to have a Canadian elected as one of the four. You must remember that there will be in this Assembly the representatives of thirty-two nations, and it is not at all likely that a representative of Canada will be elected as one of the four members of the Council.

Now, let us see just what is the corollary of that situation. By approving the Treaty we become morally bound to do the things which the Council may recommend to the

various members of the League to perform. In other words, we give to the world, through the League of Nations, a moral undertaking to carry out those obligations which we would otherwise, theoretically at all events, be liable to perform at the behest of the Parliament at Westminster. What I mean is this: Whether we approve of this Treaty, or do not approve of it, if the Council in a year or two should decide and recommend to the British Empire to contribute a certain number of men and a certain amount of money towards putting down an aggression upon the territory of one of the members of the League, we, as a component part of the Empire, could be theoretically—and I want to draw honourable gentlemen's attention particularly to the word "theoretically"—called upon by Great Britain to contribute a share of the burden which the Council might call upon the Imperial Government to assume.

Let me illustrate in other words what I mean. Suppose that in two years the Council should declare that, because Germany had again committed an aggression upon French soil, Great Britain should contribute, say, a million men and a certain sum of money—it does not matter what—towards putting down this aggression by one member of the League against the territory of another member. Theoretically, there is nothing to prevent Great Britain from saying to Canada: "You, as a part of the Empire, are called upon to contribute your share of this; your share will be 100,000 men and $500,000,000." Theoretically Great Britain can do that, and we must obey the law or rebel: there would be no other alternative.

Hon. Mr. CASGRAIN: That is right.

Hon. Mr. LYNCH-STAUNTON: Rebel against what?

Hon. Mr. BELCOURT: Against the Empire—secede from the Empire. Otherwise we would have to obey. My honourable friend (Hon. Mr. Lynch-Staunton) has not followed what I said. I say that if the Council were to decree that Great Britain, in the circumstances I have described, must contribute a sum of money and a certain number of men, then, theoretically, Great Britain could apportion that contribution among the different parts of the Empire, by legislation enacted at Westminster, and we would have to obey the law or do the other thing—rebel.

Hon. Mr. LYNCH-STAUNTON: Where do you find that in the Treaty?

Hon. Mr. BELCOURT: I do not find that there. I am looking at the question from the constitutional point of view. I know the Constitution of this country, and that is where I find it, and not in the Treaty. We must interpret this Treaty and its effects in the light of the Constitutions under which we live—the Constitution of the British Empire and our own Constitution.

Hon. Mr. LYNCH-STAUNTON: But that is not what you are doing.

Hon. Mr. BELCOURT: My honourable friend does not agree with me. I am sorry, but I cannot help it. What I am driving as is this. By approving of this Treaty we have taken upon ourselves a moral obligation to do that which we are under constitutional obligation to do. That is what I mean.

Hon. Mr. CASGRAIN: That is right.

Hon. Mr. BELCOURT: If my honourable friends will look a little more carefully at the description of the signatories to this Treaty, they will see there perhaps not absolutely conclusive proof of what I say, but very strong corroborative evidence. How is the Empire described?—"His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India." There is the one state which is the signatory; there are not different states in the British Empire, but just the one state, the British Empire.

Hon. Mr. DAVID: Will the honourable gentleman allow me a question? In the case of a difference between Great Britain and the League Council, what will be our position towards the Empire and our position towards the League?

Hon. Mr. BELCOURT: Of course, that is quite a conceivable situation, although it is hardly probable. One could imagine, for instance, some difficulty between Great Britain and the United States, and we should have either to rebel—secede from the Empire and join the American union in their right, or else to fight against the American republic. There would be no alternative for us.

I asked my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) yesterday if the British Parliament could not to-morrow wholly repeal the British North America Act. My honourable friend

is too good a constitutional lawyer to have denied the proposition. He said yes, that the Parliament at Westminster could do it, but they would not do it. I agree with my honourable friend. It is not at all likely—it is I think, the last thing in the world that would happen—for the British Parliament to repeal the British North America Act. Yet their power to do so is absolutely undeniable. My honourable friend must admit that.

There is another matter which, I think, we must try to put right, and I am trying to do so in my humble way, though I may not be succeeding. I think these are vital questions, which should elicit a declaration of opinion from every member of Parliament. A good deal was said yesterday by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) and the honourable gentleman from De Salaberry (Hon. Mr. Béique) in regard to constitutional development. Now, I say, with all due respect, that those words "constitutional development" are a misnomer so far as Canada is concerned. They are not applicable to Canada at all: they have no place in Canada. You cannot talk of the constitutional development of Canada for the simple reason that we have a written constitution. "Constitutional development" is a term which, of course, has significance in England, because the constitution of Great Britain is a constitution which is made from day to day: it is the people of England, Scotland and Ireland, as represented at Westminster, who daily make the British constitution. It is what the King decides upon, with the consent of the representatives assembled in the Houses of Parliament at Westminster, that makes the constitution. There, of course, constitutional development is recognized. We all know in what it consists—simply in the King having from time to time to give up some of the royal prerogatives and in Parliament being vested with them. Every time there has been constitutional development it meant that the King had to yield a little more.

Hon. Mr. CASGRAIN: And the House of Lords.

Hon. Mr. BELCOURT: Constitutional development in Great Britain is something that we can understand; but constitutional development in Canada is something which I, at all events, cannot understand.

When we talk about constitutional development we must remember not only what are our relations with Great Britain from the constitutional standpoint, but also what are our relations among ourselves as members of the Canadian Federation. There are nine provinces in Canada, and any change in the British North America Act would require not only an Act of the Imperial Parliament, but also the consent of every one of the nine provinces. What is the Federal Constitution? Is it anything else than a partnership agreement among the original provinces which were autonomous provinces at the time, and those which have been taken in since?

You cannot change any partnership agreement without the consent of all partners. I can imagine what my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) would say to me if, after making an agreement of partnership with him, I should go to him within a week or ten days and talk to him of constitutional development, and ask him if, in the light of things that had happened since, our agreement should not be amended. There might be a great many convincing reasons for amending it, but if I were to assert that I had the power to change that agreement because of subsequent events, I am sure my honourable friend would not accept my proposition. And so it is with the federal pact—the partnership agreement between the provinces of Canada. We cannot talk of constitutional development which would mean any serious change in the relations established not only between Great Britain and ourselves, but also among ourselves as members of this Canadian Federation.

A great deal has been said and repeated about our improved status, our increased autonomy, and so on. Well, I fail to see in what respect our autonomy has been affected, either for better or for worse.

Hon. Mr. LYNCH-STAUNTON: Neither is it. It is only being explained to be larger than we used to think it was.

Hon. Mr. BELCOURT: I cannot speak as to what my honourable friend used to think.

Hon. Mr. DAVID: Does not the honourable gentleman think that, in the making of commercial treaties, there has been some development, and that we really have more power than we had before?

Hon. Mr. BELCOURT: No. We have not one iota of power more than we had, but we have been allowed by the Imperial Parliament to do certain things which we could not exact from the Imperial Parliament. In other words, we have been allowed to

negotiate, for instance, a treaty with France. We had no power to do that and could not insist on being allowed that privilege. That French treaty, for instance, has been denounced. Great Britain could now say to us: "No, this time you will not negotiate the Treaty, but we shall do it ourselves." We have no more power now than we had before.

Hon. Mr. POIRIER: Is not that in the nature of constitutional development?

Hon. Mr. BELCOURT: No. It is not constitutional development at all. It is simply a recognition by the Imperial authorities that we should be allowed to do certain things which, under our Constitution, we have not the power to do. We should not attempt to say anything more than that.

Hon. Mr. CASGRAIN: But the British ambassador signed that French treaty anyway, and then made it valid. They let the children scribble behind them.

Hon. Mr. BELCOURT: One of the reasons that I desired to take part in this debate was in order that I might place on Hansard, with little or no comment, certain parts of the Treaty which Canada is now called upon to approve, and which has been ratified by Great Britain, and, I think, by Italy, and has been approved by Australia and New Zealand.

Hon. Mr. POWER: To-day's despatches say by France.

Hon. Mr. BELCOURT: By France. The Treaty contains provisions on which, by giving it our approval, we place the stamp of recognition. I want to call attention particularly to the article contained in the Treaty between the United States of America, the British Empire, France, Italy and Japan, and Poland, signed at Versailles on the 28th of June. Among other things I find in this Treaty certain articles which I wish to place on Hansard. They are articles 8, 9, and 10, and they read as follows:

8. Polish nationals who belong to racial, religious, or linguistic minorities shall enjoy the same treatment and security in law and in fact as the other Polish nationals. In particular they shall have an equal right to establish, manage and control at their own expense, charitable, religious, and social institutions, schools and other educational establishments, with the right to use their own language and to exercise their religion freely therein.

9. Poland will provide in the public educational system in towns and districts in which a considerable proportion of Polish nationals of other than Polish speech are residents adequate facilities for ensuring that in the primary schools the instruction shall be given to the children of such Polish nationals through the medium of their own language. This provision shall not prevent the Polish Government from making the teaching of the Polish language obligatory in the said schools.

In towns and districts where there is a considerable proportion of Polish nationals belonging to racial, religious linguistic minorities, these minorities shall be assured an equitable share in the enjoyment and application of the sums which may be provided out of public funds under the state, municipal or other budget, for educational, religious or charitable purposes.

The provisions of this Article shall apply to Polish citizens of German speech only in that part of Poland which was German territory on August 1, 1914.

10. Educational committees appointed locally by the Jewish communities of Poland, will, subject to the general control of the State, provide for the distribution of the proportional share of public funds allocated to Jewish schools in accordance with Article 9, and for the organization and management of these schools.

The provisions of Article 9 concerning the use of languages in schools shall apply to these schools.

Parallel with these articles I want to record the following facts. In the province of Ontario, within the last few years, the school trustees of school No. 14 of the township of Lancaster, in the county of Glengarry, were fined $500 each and costs or in default imprisonment, for having permitted 45 French children out of a total attendance of 47 pupils in that school to be taught the Catechism in French for ten minutes. In the city of Windsor the Department of Education of this province has refused to two schools—one in which 65 per cent of the children are French Canadians, and another, in which they represent 85 per cent— the right to teach a single word of French at any time on any subject. In Plantagenet, within a short distance of Ottawa, in the year 1914 or 1915, I am not sure which, the Department of Education refused a teacher permission to teach French in a school where all the children in attendance were French Canadians.

Hon. Mr. CASGRAIN: Shame; shame.

Hon. Mr. BELCOURT: During the past six years, in contrast with what has been done with Poland, the legislature of the province of Ontario has withheld from the bilingual schools their share of the annual grant voted for educational purposes. I make no comment. I desire simply to place these facts on Hansard.

Hon. Mr. CASGRAIN: Très bien.

Hon. Mr. BELCOURT: I have only a few more words to say. I am in every respect heartily in favour of the League of Nations. I rejoice that at last the world has found an opportunity of endeavouring

to establish world peace. I may say for myself that when I was younger and had more illusions than I have to-day, I had dreamed of Canada as a British democratic commonwealth practicing entirely the arts of peace and ignoring altogether the arts of war. I had hoped that the development of Canada's magnificent resources would not be interrupted by war either within or without; but, like many others, I received a rude shock. We have passed through five years of the worst war that ever afflicted the world and we had disunion in our own land. I rejoice, let me repeat, that the time has come when the world at last realizes that peace is the only thing upon this earth that is worth fighting for.

To show what a believer I have all along been in the desire to establish and maintain peace in the world, I may be permitted to indulge in some personal reminiscences. In the year 1906, on the first day of the session, in another place, to which I then belonged, I moved an address, the purpose of which was that His Majesty King Edward and the Queen might be invited to visit Canada. My object in doing so, I may explain, was that I had hoped and believed that the coming of King Edward, the great peacemaker, to Canada, would also very likely involve a visit on his part to the United States; and at that time the President of the American Republic was devoting a great deal of his time, his talents and his energies to the establishment of world peace. It occurred to me that a visit to Canada by the great King who had done so much to bring about the entente cordiale would perhaps lead to an extension of that entente cordiale, and we might thereby obtain, what had been so long desired by the world at large— peace. I therefore moved that His Majesty and the Queen should be invited to visit Canada. The address was passed unanimously and with great enthusiasm, not only by the Commons, but by this honourable House as well. I would like to be permitted to read some of the observations which I then made in the House of Commons—and honourable gentlemen will bear in mind that this was in 1906:

> Mr. Speaker, since the visit of his Royal Highness the Prince of Wales in 1860 to Canada and to the great and friendly American Republic to the south proved to be so interesting, so important, so gratifying, how much more important, how much more gratifying, how much more interesting, how much more pregnant with lasting, wide, far reaching, great and beneficent results would not be to-day the presence of him who has since become the Sovereign of the British Empire, on this continent of North America, whose progress and development have cause the admiration and wonderment of the universe and which has achieved so much for the cause of democratic institutions and liberty.
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> When His Majesty ascended the Throne, Mr. Speaker, who believed that the "entente cordiale," such as it exists to-day, was probable or even possible? And if to-day the French Republic and the United Kingdom of Great Britain and Ireland and its possessions all over the world are found allied in such a close, such a cordial, such a lasting alliance, it is conceded that it is due mainly to the wonderful tact, to the ever unerring judgment, to the genius, to the intense love of humanity, and the earnest desire for peace, of His Majesty. Have we not good reason to hope and to believe, Mr. Speaker, that His Majesty is not content to rest on the laurels, however great, which the world has so freely accorded to him, and that His Majesty will continue to devote his genius and his all-powerful influence in the cause of humanity until he has finally attained the realization of that so long and so ardently cherished hope of mankind, "peace and good will to all men."
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> And, Sir, may we not be permitted also to indulge the hope and the belief that a visit of His Majesty, the noble King of England, to that other noble and very distinguished man and statesman, the President of the United States, whose own efforts, whose own successes in the cause of peace among the nations, have gained for him likewise the gratitude and the admiration of the world, would afford an opportunity and the means of rendering more intimate and more cordial even the relations which exist to-day between the American Republic and our Mother Country? Nay, Mr. Speaker, may we not be permitted to indulge the hope and the belief that such a visit at this time would be the means of enlarging the scope of the entente cordiale so as to secure the mighty co-operation of the United States of America in the accomplishment of its great aim and its noble object? For if, Mr. Speaker, we are able to rejoice in an alliance between the republic of France and the United Kingdom of Great Britain and Ireland and its possessions all over the world, may we not hope to see that alliance extended so as to embrace the republic of the United States of America and that empire in the far east whose national emblem so typically and so truthfully symbolizes its recent brilliant exploits and its foremost progress, an alliance between the foremost nations of Europe, the two greatest nations of America, and the only true great nation of Asia, an alliance encircling the world, whose aim and motto would be universal peace, with all that these magic words imply for humanity?

Honourable gentlemen will recollect the situation which existed 13 years ago. I may be allowed to boast that I foresaw that an alliance such as this, to insure the peace of the world, involved an alliance with Japan.

> The time must come, may we not think the time has come, when the enlightened nations of the world will put an end to military armament and cease paying to the devils of war the tribute of its best blood and of its best money? The nations of Europe have too long been staggering under the load, the heavy load of militarism. There is everywhere a desire, a de-

mand, for peace. Why, Sir, the very atmosphere is to-day filled with that fragrant air of peace. The noble King of England and the noble President of the United States have devoted themselves to the cause of peace, they are both thorough believers in, and have constantly and with maintained success preached, the gospel of peace. May we not to-day indulge in peace. May we not to-day indulge in the hope that their recent brilliant successes are but the augury of universal peace in the very near future? Some may think and some may say, Mr. Speaker, that this is but a dream, though a very happy dream, still but a dream and an illusion. My answer is that dreams are not unfrequently followed by realization, and that what seems to-day to be an illusion to some may to-morrow be turned into a reality; my answer is that but a very few years ago the entente cordiale was nothing but a dream, but to-day it is a living and vigorous reality.

For these reasons, Mr. Speaker, I have very much pleasure, and I deem it a very great privilege and a very great honour to be allowed to move the resolution which I now place in your hands.

This address, as I have said, was passed by both Houses and received the strong endorsation of every city in Canada, and copies of the debates and the resolutions were sent over in the usual way to the Colonial Office. I doubt very much that His Majesty King Edward ever saw anything of them. I am afraid the matter was strangled in the Colonial Office, where unfortunately on so many occasions want of vision has prevented the right thing from being done. I happened to be in England shortly afterwards, and was told by gentlemen whose principal occupation in life is to manufacture and measure red tape, that the thing was utterly absurd—that the idea of the King leaving his kingdom to make a visit to the different Dominions and Colonies was absolutely out of the question.

Hon. Mr. CASGRAIN: He went to India with his wife.

Hon. Mr. BELCOURT: He went not only to India but also to France and other countries, and if he could go to foreign countries why could he not come to parts of his own country? However, that was not done. I cannot help expressing my deep regret—and this is the first occasion on which I have permitted myself to do so—that so little consideration was given at that time to the unanimous and enthusiastic addresses voted by these two Houses. I believe that if they had been heeded, if King Edward had been allowed by his advisers to visit Canada and the United States at that time, the horrible war through which we have passed would not have occurred. If Great Britain, France and the United States had formed an alliance in 1906 for the maintenance and preservation of peace, would Germany have dared to throw out the brand of war? I say that if what Canada wanted at that time had been done, there is every reason to believe that we should have averted the horrible atrocities and the incalculable losses of the last five years.

Hon. Mr. McMEANS: Is the honourable horrible atrocties and the incalculable losses of the last five years.

Hon. Mr. BELCOURT: Quite. Germany was preparing for forty years, but Germany would have hesitated a long time if Germany had known that the United States, France, Great Britain and Japan had formed an alliance for defensive purposes. In spite of all the preparations she had made, Germany would not have declared war. I indulge in these personal reminiscenses, not for the sake of vain glory, but for the purpose of convincing my honourable friends that when I say I am in favour of this League of Nations I am thoroughly sincere, as I have been for many years.

I have been all my life—and I do not deny it—an advocate of peace: I always have been a pacifist. "Si vis pacem, para pacem," has been my motto. I have never admitted the maxim, "Si vis pacem, para bellum." Yet that did not prevent me, when war was declared by Great Britain against Germany, from at once and thereafter doing everything that lay in my power to help in Canada's war efforts. I have been as strong for this war as any body has been, simply because I felt that Canada owed a duty to the world, for this was a war against war, as I have said on many occasions.

My honourable friend from Compton (Hon. Mr. Pope) said this afternoon—and this is one of the things in which I agree with him—that, because or her present position, because of her aspirations, because of what Canada hopes to be in the future, she cannot consistently desinterest herself to-day of world affairs. The time is past when we could play the part of isolation. Canada hopes to be in a short time one of the states of the world—one of the sovereign states, perhaps, or at all events one of the absolutely independent Dominions in the British Empire. Whether we are independent, or whether we remain as a component part of the Empire, for myself I cannot see any alternative, for the moment at all events: we must take an interest in what is going on in the world. We cannot dis-

interest ourselves of world affairs or concerns. For that reason I am heartily in favour of the League of Nations. And if ever the occasion should arise—I pray God it never may—the Canadian Parliament should be ready with its money and its men to assist in preserving the peace of the world. I believe that we are under that obligation just as much as the nations which have joined the League, and perhaps we are under a greater obligation and a greater incentive. It is only by refusing to have anything to do with militarism that this country of ours can prosper and become a great Power.

For these reasons I am strongly in favour of the Treaty which is now before the House. I shall have, as I would have had at any time within the last twenty years, the greatest possible pleasure in voting for a measure which I hope will, in a certain degree at all events, establish and maintain the peace of the world. I am not, however, without some doubt or apprehension as to just how the League of Nations is going to work out, as to its ability to establish and maintain peace. Notwithstanding that peace has been made with Germany, there are many very ugly international questions which have yet to be solved. I think I owe it to myself to say that I am alarmed when I see that both Great Britain and the United States have engaged, and are continuing to engage, in a sort of rivalry as to which is going to possess the biggest navy. In the light of the words which we find in this Treaty of Peace, wherein disarmament is advocated as one of the greatest necessities, I confess I am alarmed when I see this kind of rivalry between the two greatest Powers in the League. I am speaking out, as I think it is the right and the duty of every Canadian to speak out in matters of this kind. We are to-day members of that League of Nations, and we are jointly responsible for the actions of that League; and we ought to speak out in Parliament, because we shall probably not have many opportunities for speaking within the League itself. I have all my life hoped to see world peace established. I must say that I fear that, unless the League of Nations practices what it preaches, it is not going to have the success which it ought to have. At all events, for my part, I am prepared to trust the League of Nations for the time being, and I am prepared to advocate that Canada should do everything possible to help the League in performing the task which it has set for itself. If from time to time we find that it has strayed from the right path, that it has not done its duty, the Parliament of Canada will have the right to protest or to make representations. With that reservation, I have, as I say, very much pleasure in giving my hearty support to the League.

Hon. J. G. TURRIFF: I will delay the House but very few minutes in discussing this question. Usually I am in sympathy with the opinions advanced by my friends opposite; but I must confess that, in connection with this debate on the Treaty of Peace, more particularly the discussion in another place, I am altogether out of sympathy with the carping criticism against the Treaty. To my mind it is a good Treaty. It may not be perfect. Perhaps under the circumstances it could not be perfect. The greatest objections urged have been against the League of Nations. I am very glad indeed to hear my honourable friend who has just taken his seat (Hon. Mr. Belcourt) say that he is absolutely in favour of the League. There is no doubt in my mind that it is the best and greatest effort that has been made to bring about peace for the future, and if anything can be done by the Empire or by Canada to further that aim, it is our duty to do it.

I think also, honourable gentlemen, that we have every right to be a party to that Treaty of Peace. We have paid a tremendous price in money and a much greater price in blood.

The greatest criticism that I have heard regarding the Treaty of Peace and the League of Nations is that under them we are losing somewhat of our autonomy. I will not attempt any hair-splitting, which has been mentioned to-day, as to our position in the Empire. I think it has been a fairly satisfactory position—so satisfactory that I, for one, do not want to see it changed at all. I do not want to see any closer relations within the Empire. Could Canada have done more than she has done in this war if we had been bound more closely by further agreements? I do not think it would have been possible. There is no doubt that in joining this League of Nations we sacrificed somewhat of our autonomy; but is there a single nation subscribing to the Covenant of the League which does not sacrifice some of its autonomy in agreeing to be bound by the Council appointed by the different nations constituting the League? France is doing so, the United States does the same, and Italy does the same. Why should there be any objection on our part?

There is one thing, honourable gentlemen, which I have not heard mentioned: that we gain by this League of Nations. We live right alongside a nation ten or twelve times as large as we are, and twelve times as rich and powerful. While our relations are excellent to-day, and the very best of feeling prevails between the two countries, the day may come when the situation may change. Under that League of Nations we have the absolute protection of the United States as well as that of other members of the League of Nations. I think that is something worth while that may stand us in good stead in the future. Moreover, if we can prevent war, if we can maintain peace in the world for a hundred years, as we have maintained it with our neighbours to the south, will not that be something worth while?

Another thing, honourable gentlemen. Suppose that we had not been connected with Great Britain in any manner whatever. Suppose we had been an independent country, with any kind of government that you might name, and that we had taken part in the war as we did; would there have been the slightest question of our approving that Treaty of Peace and the League of Nations? I do not believe there would have been the slightest objection to it. Now, if that is the position that Canada would have taken if she had been absolutely independent, why should we hesitate to approve of the Treaty of Peace and of becoming a member of the League of Nations because we are a nation within the British Empire?

To my mind, honourable gentlemen, this is the greatest forward step that has ever been taken by the nations of the world, and I have every hope that it will be successful. There will be difficulties in the way. Human nature cannot be changed all at once. The readiest way of settling a difficulty is with your fists. There is undoubtedly a general tendency to fight if things go wrong, and in the past, when difficulties occurred between nations they were settled by war. But now a League of Nations is being formed which will be so strong that there will be no inducement to any member of the League to break the rules or to bring on a war, and I think we may look forward to nations being able to settle their differences by arbitration through the League, instead of by the arbitrament of the sword. Difficulties may arise, but those difficulties arise but to be overcome. Consider the difficulties with which the delegates at the Paris Conference had to contend. The difficulties that loomed up seemed at times to be almost insuperable; but they have been met, and by a concession here or a concession there the delegates have arrived at a pretty good result. I am sure that if every member of the League of Nations will do what is nearly right, the effect will be very satisfactory. We may not prevent all wars in the future. As has been stated by my honourable friend from Ottawa (Hon. Mr. Belcourt), there seems to be, I am sorry to say, a disposition among many members of the League to keep on arming. The tendency may end when the League has been in existence for a while. I do not see how the world can continue to bear the tremendous cost of the upkeep of armies and navies. All the nations that have participated in the war, our own with the rest, have borrowed money nearly to their limit, and the question is how the debt is going to be paid off. That difficulty may have the very good effect of preventing the nations from going into further extravagance. We are now trying to float a loan in order to keep things going. To my mind, honourable gentlemen, the Government will have a very good reason to retrench if they do not get all the money they want, and I think that is about the only thing that will make them retrench. I do not think we should be a bit better off if the other side were in power. When a country has had to proceed in an extravagant way, as we have had to do during the war, retrenchment is a most difficult matter. The other nations are feeling the effects just as much as we are; so I hope the result will be a reduction in the size and strength of the armies and navies of the world.

In conclusion, honourable gentlemen, I desire to say that I am heartily in sympathy with and heartily support the Treaty of Peace and the League of Nations, and I look forward to a better time in the future than the world has ever seen in the past.

Hon. L. McMEANS: Honourable gentlemen, I do not intend to take up the time of the House for more than a few minutes. I have listened with a great deal of pleasure and with some profit to myself to the debate which has taken place upon the constitutional aspect and the position in which Canada has been placed.

I must say at the outset that I fully agree with the honourable member from Hamilton (Hon. Mr. Lynch-Staunton) in his statement that the constitutiion of this country is undergoing a gradual change. The state-

ment has also been made that there is shortly to be held an Imperial Conference, in which any difficulty in this respect may be removed, and Canada will receive such consideration there as will remove all questions as to what her standing shall be in the future.

The honourable gentleman from De Lanaudière (Hon. Mr. Casgrain), in the course of the speech which he delivered yesterday afternoon, seemed to be attempting at great length to prove that Canada was not a nation, that she had no right to be represented at the Conference in Paris; and, in support of those statements, he said that this was also the view of the honourable member from Ottawa (Hon. Mr. Belcourt), the honourable member from De Salaberry (Hon. Mr. Béique), and the honourable member from De Lorimier (Hon. Mr. Dandurand). A statement of his that seemed to me very extraordinary was that the commissioners of Canada had no standing there at all. He would lead this honourable body to believe that the representation of Canada was simply a stage-play and meant nothing whatever. He went the length of even saying that the two commissioners representing Canada were in a position similar to that of two page-boys walking behind Lloyd George and hanging onto his coat tails, or similar to the position of pages in his own church carrying the gown of the church dignitary who immediately preceded them. He even questioned that those gentlemen had been appointed as the representatives of Canada; he said they were appointed as Imperial representatives. Now, in order to contradict a statement of that kind and to give to this honourable House a clear proof that the honourable gentleman was absolutely wrong in his remarks, I shall read from the commission which was issued by the King to the plenipotentiaries representing the Dominion of Canada. This is what it says::

The commission issued to each Canadian representative recounts that "We have judged it expedient to invest a fit person with full power to conduct the said discussion on our part in respect of our Dominion of Canada;" and therefore of each representative it is stated that "We name, make, constitute and appoint him our undoubted Commissioner, procurator and plenipotentiary in respect of our Dominion of Canada, giving him all manner of power to treat, adjust and conclude" the necessary treaties, "and to sign for Us, and in Our name in respect of Our Dominion of Canada, everything so agreed upon and concluded and to do and transact all such other matters as may appertain thereto in as simple manner and form and with equal force and efficacy as We Ourselves could do, if personally present."

For the opinion of the honourable gentleman from Ottawa (Hon. Mr. Belcourt) I have the greatest respect. He enjoys the reputation of being a constitutional lawyer of some standing in this country. He apparently takes the opposite view. I quite agree with the statements made by the honourable member for De Salaberry (Hon. Mr. Béique) that the King—

Hon Mr. BELCOURT: Will my honourable friend permit me to interrupt him? I do not know just exactly what he means, and I think his words may lead to misapprehension, when he says that I take the opposite view. Opposite to what?

Hon. Mr. McMEANS: That is, that the representatives of Canada had no standing whatsoever at the Peace Conference at Paris as representing the Dominion of Canada.

Hon. Mr. BELCOURT: My honourable friend misunderstood me entirely.

Hon. Mr. McMEANS: Then I must apologize.

Hon. Mr. BELCOURT: I had no intention whatever of saying that, and I do not think I said anything that could by the greatest violence be construed as having that meaning.

Hon. Mr. McMEANS: I must apologize to the honourable gentleman, but the statement of the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain), as reported in Hansard, was that the honourable gentleman from Ottawa concurred in his view.

Hon. Mr. BELCOURT: I never expressed any view on that question before to-day.

Hon. Mr. McMEANS: It seems strange to me, honourable gentlemen, that in this honourable body, when we discuss the position occupied by Canada in the eyes of the world, we find honourable members belittling Canada's status, whereas in the Senate of the United States we find senators claiming that Canada is an autonomous nation with full power to act on her own behalf in every particular. I say that because, if there was any remark made in this Senate that I regretted, it was a statement made by the honourable gentleman from De Lanaudière in belittling the commissioners from Canada and the standing of Canada in the face of the world. As I have already stated, I agree with the contention of the honourable member from De Salaberry (Hon. Mr. Béique) that the King can make war constitutionally and

theoretically, and that he can make peace constitutionally and theoretically; but his power is no more than theoretical, and in practice the King cannot make war and cannot make peace that will bind the Dominion of Canada. I think the honourable gentleman from Ottawa (Hon. Mr. Belcourt), with all his experience in matters of that kind, will agree with that statement.

Now let us see what was said in the United States Senate about this. I am quoting from the press of Monday, September 1:

> Senator Knox: May I say this: I was not present at the meeting when Mr. Miller testified. The fact is that while it is technically true, as the President says, that the British self-governing colonies deal diplomatically through the British Foreign Office, it is only true in a most technical sense. They are absolutely autonomous, even in their diplomatic dealings, as to matters that affect them. For instance, I remember that when the Canadian reciprocity agreement was negotiated in 1911 the delegates were sent to negotiate the agreement from Canada. Great Britain did not appear at the hearings or conferences at all, and in every sense Canada was just as autonomous in conducting her international negotiations as she would have been if she had been an absolutely independent government.

We have apparently to go over to the United States to learn that we in Canada have some standing in the eyes of the world. I am glad the honourable gentleman from De Lanaudière has just come in.

Hon. Mr. CASGRAIN: I have been informed.

Hon. Mr. McMEANS: I say that we have to go over to the United States to learn that in the eyes of the civilized world we have some standing and our country receives recognition as having an independent, autonomous government, whereas in the opinion of the honourable gentleman from De Lanaudière we are merely a colony and have no standing at all.

Hon. Mr. CASGRAIN: International standing.

Hon. Mr. McMEANS: And no right to be taken into consideration one way or the other. What surprises me is that the honourable gentleman from De Lanaudière was at one time, before the war at least, a very fervent admirer and devoted follower of Sir Wilfrid Laurier. Sir Wilfrid Laurier was a great Canadian and a great statesman, and what will perhaps endear him to the hearts of his fellow-countrymen is the fact that from 1906 or 1907 to 1911 he fought strenuously for the rights of Canada so that she could claim to be a nation If I were to judge by the remarks of the honourable gentleman from De Lanaudière, I might suppose that he had gone back on his formed opinions: I might suppose it was some deep dyed-in-the-wool Tory from away back prior to 1867 who had made those statements.

Hon. Mr. CASGRAIN: That is right—the Family Compact.

Hon. Mr. McMEANS: The work which had been carried on by Sir Wilfrid Laurier up to 1911 has since that time been continued by Sir Robert Borden, and I think that when the history of this Conference comes to be written the greatest credit will be given to Sir Robert Borden for the stand that he took in demanding that Canada have an independent standing at the Peace Conference that took place in Paris. Does any one mean to say that Canada, after spending a billion and a half of dollars, and after raising 500,000 men, and when 60,000 of her sons lie buried in France, would have no right to be represented at the Paris Conference. Surely no one would for a moment seriously support a statement of that kind.

I have nothing further to say. I did not intend to make any remarks. A discussion of the constitutional development of Canada would involve a great deal of study. But the institution is evolving; it is gradually working up from what is was prior to the war, and changes in it are taking place. With the greatest deference to my honourable friend from Ottawa (Hon. Mr. Belcourt), I do not at all consider that the British North America is so binding upon us that it cannot be evolved in a parliamentary sense. What I mean is this. Under the British North America Act we have the same rights and the same powers as the Parliament of Great Britain, and every power surrendered by the Crown changes the constitution of Canada to that extent. I regret that I was not in a position to give this matter more time; but I desired to record my objection to the position taken by the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) in which I think he was not justified. I do hope that when he went over to Paris and saw so many important people there, and learned about the Sultan's skull and about the Koran, and all those things, he did not express to the people of France and to the people of Great Britain or to the Sultan of that country where the Koran was lost, the same sentiments as he has voiced in this House.

Hon. Mr. BLAIN: Honourable gentlemen, on behalf of the junior member for Halifax, I beg to move the adjournment of the debate.

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

BOARD OF COMMERCE BILL.

FIRST READING.

Bill 12, an Act to amend The Board of Commerce Act.—Hon. Sir James Lougheed.

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

THE SENATE.

Friday, October 3, 1919.

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

Prayers and routine proceedings.

HALIFAX GRAVING DOCK.

MOTION FOR RETURN.

Hon. Mr. DENNIS moved:

That an Order of the Senate do issue for all papers, letters, telegrams, between any official or department of the Government and any person, firm or corporation between December 7, 1918, and July 1, 1919, and reports thereon, in connection with the expropriation of the Halifax graving dock.

The motion was agreed to.

SESSIONAL PAPER No. 254.

MOTION FOR RETURN.

Hon. Mr. DOMVILLE moved:

That an Order of the Senate do issue that a copy of Sessional Paper No. 254 be laid upon the table of this Chamber.

The motion was agreed to.

MACHINERY FOR OIL PRODUCTION.

MOTION FOR RETURN.

Hon. Mr. DOMVILLE moved:

That an Order of the Senate do issue for copies of the correspondence received from and sent to, during the years 1918 and 1919, Louis Simpson, Industrial Engineer of Ottawa, and the late Commissioner of Customs, with respect to the free admission into Canada of certain machinery required for the establishment of the new industry for the recovery of oil and certain by-products from shale be laid upon the table of this Chamber.

He said: This is the correspondence which has been exchanged on the subject which we discussed here the other day, and I would like to have that laid on the Table so that there would be no misunderstanding.

The motion was agreed to.

TREATY OF PEACE BILL.

SECOND READING.

The Senate resumed from October 2 the consideration of the motion for the second reading of Bill 3, an Act for carrying into effect the Treaty of Peace between His Majesty and certain other Powers.

Hon. A. B. CROSBY: I thank the honourable gentleman (Hon. Mr. Casgrain) for his applause. I hope he will applaud when I have finished. Anybody can applaud before I begin. I desire to ask the indulgence of the House for a few moments on this very important matter, because I feel that it is only fair and reasonable that every member of this House who desires should have an opportunity of expressing his opinion and giving the reasons why he votes in favour of this Treaty or the reason why he votes against it. If he votes against it, it is particularly desirable that he should give his reasons for so doing.

I regret to say that, owing to circumstances over which I had no control, I had not the privilege of being present when the Treaty resolution was passed by this House. Looking over the record, I find that on that occasion the House divided on the resolution, and I regret very much to observe that it divided in a partisan way. Now, honourable gentlemen, if there is one matter that has come before this House at any time since the year of Confederation, and into which partisan politics should not have entered, it is the question of this Peace Treaty. We did have some differences regarding the method of carrying on the war. I am happy to say that we were all desirous of winning the war; but there were doubts in the minds of some persons as to how we could best proceed, and it was only natural that we should differ, though we all had the one object in view. It was natural that there should be differences regarding conscription as compared with the volunteer system. There was room for difference of opinion there. But, honourable gentlemen, I can see no possible reason why we should differ on this question of the Peace Treaty, and therefore I regret to find, as I have said, that the House was divided. If there was to be a division, the record of it should have been taken, because this is and will continue to be a matter of very great importance for many years to come. It will be a matter of his-

tory, so it would have been but fair and reasonable to record the division, and I trust that when a vote is taken on this Bill the division will be recorded. What does the division mean? It means purely and simply that we divide on partisan lines, and there is no possible excuse for that. Every man who voted against the resolution should have been recorded as voting against the world's Peace Treaty.

I desire to say a few words regarding some of the statements which have been made here. For instance, the honourable leader of the Opposition rose in his place and read all the correspondence that had been exchanged between the Imperial Council and our Privy Council in Canada. When he had read the correspondence I thought that if ever I was to hear eloquence from him I should hear it on that occasion. I expected him to laud our Premier and endorse his attitude for having brought Canada to the notice of the Imperial Government and for having demanded the recognition of Canada's rights as we would expect him to do. No man would have accused the Prime Minister sooner than my honourable friend if he had failed to demand the recognition of Canada's dignified position. Therefore I say that when the honourable leader of the Opposition had read that correspondence I expected from him an eloquent tribute to our Prime Minister. However, that will be given later, I have no doubt.

The honourable gentleman who followed him, the honourable gentleman from De Lorimier (Hon. Mr. Dandurand), was very much exercised about our having no right to be over there. He did say that the Peace Treaty could be ratified and go into effect without any action on our part. Everybody knows that. We know that the King has great powers if he chooses to exercise them, but we know also that the King does not exercise all his powers. My honourable friend said at the same time that the British constitution was an unwritten constitution. Is it any more so than ours? Are we not developing our constitution just as the people of the British Isles are developing theirs? Will any man tell me that Canada to-day stands in the same position with relation to the Imperial Government as she stood five years after the passing of the British North America Act, or 10 years, or 15, or 20? Now, after 50 years of Confederation, where do we stand? In a perfectly independent position. There is no question whatever about our independence.

Hon. Mr. CASGRAIN: What about the veto?

Hon. Mr. CROSBY: I will veto my honourable friend in good time, before I get through he may be sure of that—if he will only have a little patience.

Hon. Mr. CASGRAIN: Hurry up. I have to take the train soon.

Hon. Mr. CROSBY: If my honourable friend has to leave, I feel almost like asking this House to adjourn this debate so that I may say what I have to say to my honourable friend when he is here. I never go behind any man's back when I have to say anything about him. Therefore, if my honourable friend has to retire before my time is up, the House might give me another opportunity; otherwise I shall have to refer to my honourable friend's speech in his absence. I have a good deal to say about that.

Let me deal first with the remarks of the honourable gentleman from De Lorimier (Hon. Mr. Dandurand)—I do not know whether that is the place he represents or not. My honourable friend seemed very much excited about the standing of Canada. I do not think there is any man more anxious than he was to know where Canada stood. He said that she did declare war. Well, I was glad to hear him say that, and I am going to tell him how she declared war. He did not seem to understand how she did it. He does not seem to take as much interest in Canadian affairs as one would think, to look at him. He was very loud in his remarks about the declaration of war. The honourable gentleman on his right, who seems to know everything and who thinks he does too, told him we did not declare war, but he still kept saying we did.

As to the honourable gentleman who represents Ottawa (Hon. Mr. Belcourt), I desire to say to him that I had no intention whatever of being discourteous to him, and he must not be too thin-skinned. When we say a word or two to him, he must not feel that he is the only member here who has feelings. We all have feelings; but when things are said on one side or the other we must take them in good part; we must receive them in the proper spirit. If I say anything offensive to my honourable friend, it is not because of any personal feeling that I have in the matter, but because we differ in regard to the affairs which we discuss here. I have no intention of saying anything offensive to anybody. My honourable friend said that we declared war, and the honourable gentleman to his right

(Hon. Mr. Casgrain), who seems to think that he should always be taken as correct, has denied that. But we did declare war. The honourable member from Montreal (Hon. Mr. Casgrain) asked: "How could we?" My honourable friend from De Lorimier answered: "But we did; of course, it was a question of fact. I think I could lay my hand on the official Gazette." I do not know whether he is groping for it yet, but I think he would be groping for a long time.

The honourable gentleman from Ottawa (Hon. Mr. Belcourt), in this House yesterday afternoon, said that we were a nation; but the day before he stood up and said that Canada was not a nation. I am going to quote from Hansard, so that I shall quote him correctly:

Hon. Mr. Belcourt: We had not yet discovered that we were a nation.

Yesterday he told us that we were one, so that settles the question of nationality. I hope there will be no more questions so far as that is concerned.

Now, I will tell the honourable gentleman from De Lorimer (Hon. Mr. Dandurand) how we declared war. A gentleman who has so much to do with the public and who is so anxious to convince the public would do well to bear this in mind. As soon as Britain declared war, the Premier of this country sent a telegram to the Premier of Great Britain and told him that every man and every dollar in Canada was behind him. Everybody knows that is the way in which we declared war. It is the same today; we are prepared when the British Empire takes up anything to back it up. We were not called upon or asked to contribute. Our Prime Minister went over there, and told them what we were willing to do. I do not care who the Premier is for the time being, as Prime Minister he is worthy of the confidence of the people of Canada, not because he is a Liberal or a Conservative, but because he is the Prime Minister, and any man who does not stand behind him is not a friend of this country. When our Premier spoke he spoke for this country, and spoke as the people of this country desired him to speak; therefore we made the declaration. I hope that will make my honourable friend's mind easy on that point.

Now I come to my other honourable friend. He got up and told us that last winter, for some reason he was going to give afterwards, he had read an awful lot about this Peace Treaty. I said to myself, "Now we are going to have something worth listening to." But, as I said on one occasion, that gentleman is far nicer to look at than to listen to. But it would be no compliment to my honourable friend to say that on this occasion he was nicer to look at than to listen to when he made his speech, because it would not make any difference what he looked like, he would look better than his speech. To look at him one would expect that he would be dignified and decorous in discussing matters of great and national importance in this House. If he has that dignity, it is only in appearance, as we shall see when we read the speech which he made here on Wednesday.

Now, I want to refer to that speech. I am not going to go over all he said, because I would be detaining the House too long, and I want to get him away as soon as possible—I do not suppose any of us will miss him much.

Hon. Mr. CASGRAIN: I shall miss my train the first thing you know.

Hon. Mr. CROSBY: If I have to go back to some other things the House will excuse me.

My honourable friend told us that he had been among the French deputies. Well, he must have had himself pretty well camouflaged if he expressed the same opinion over there that he has expressed here, or I am afraid he would not have got back.

Hon. Mr. CASGRAIN: I will read the speech in Hansard.

Hon. Mr. CROSBY: There is no use in going away yet; there is a train at half-past six, it is a night train, it is our own train, and the honourable gentleman ought to patronize it.

It is going to be exceedingly difficult, honourable gentlemen, to deal with my honourable friend now that he has gone. The honourable gentleman made a very long speech. He told us that he had been in France and had got into the House of Deputies. He told us that during the winter he had read a great deal about the Peace Treaty and had followed it very closely. Indeed, he led us to believe that there was nothing in it that he did not thoroughly understand. He wanted us to know that before he spoke—of course, he would not tell us after he spoke, because then we all knew that he did not know anything about it.

He then talked about skulls and coat-tails, and one thing and another, and he referred to his late lamented leader, whom we all lament, who had said on one notable occasion in the city of Montreal that the

United States had been fortunate in the three great crises of its history, in having had three great men at its head—Washington, Lincoln and Wilson. He agreed with his late lamented leader, but he did not laud Wilson. What has Wilson been doing? Wilson has been going from one end of the United States to the other trying to tell the people what this Treaty means. Wilson has been giving valuable time on the other side of the water and on this side to this Treaty. Is my honourable friend going to fight against Wilson's view of it? He says Wilson is a great man. What does he mean by that? Does he mean that he himself is too small to follow Wilson, or does he mean to tell us that he does not understand the question? He lauds Wilson in every possible way he can, and yet he indicates to us that he is not going to vote for this Treaty. I do not believe he will have the courage to stay in this House and keep his seat when this Bill has been passed. I will take care that he will have to do one thing or the other. I will take good care that every honourable gentleman in this House records his stand in this matter, whether he is for or against the Treaty, because I do not believe that any man has a right to sit in this House and allow it to be said that this Bill was carried on division. What does a division mean? Every one here knows that it means a party vote, pure and simple. If other honourable gentlemen in this House are satisfied to have an important question of this kind go on division I am not. If everything that honourable gentlemen have said about this Treaty is true, would it harm any of us to stand up here as British subjects and endorse this Treaty? Britain has endorsed it, and it is her Treaty. If it is her Treaty it is our Treaty. Who will say that we should not stand up and endorse that Treaty with all our might? Can any paltry excuse be advanced for not doing so?

The honourable gentleman from Winnipeg (Hon. Mr. McMeans) read a proclamation here. My honourable friend opposite said there was no proclamation; but my honourable friend from Winnipeg read it in the House yesterday, and you will find it in Hansard, so I shall not take the time to read it. Our Prime Minister was called by the King of the country—theoretically by the King, and actually by the British Council.

The honourable gentleman from Montreal (Hon. Mr. Casgrain) dug up some skulls. Well, honourable gentlemen, if he had gone digging for brains it would have been more in his line, and I would have prayed hard that he would be able to dig up some in order to be able to grasp the meaning and importance of this Treaty. He said: "We do not care about Borden: he is only a Conservative." Why, gentlemen, he is only a man who has sacrificed every personal and other interest so as to place Canada in the best position to put forth her best efforts to win the war. That is what he has done. Some gentlemen might think he should have gone about it in another way, but he acted according to his best judgment, and he had the support of the people of the country. He sacrificed everything, party politics and all, to the winning of the war, and his efforts were not in vain.

My honourable friend said that Sir Robert Borden was in London hanging onto the coat-tails of others. Is that a dignified way for any honourable gentleman to speak of the Premier of Canada? Whose coat-tails did he hang on to? I say he stood abreast of the best men there; I say Lloyd George will say the same thing, President Wilson will say the same thing; Premier Clemenceau will say the same thing; but the honourable gentleman from Montreal says differently. I say that he stood abreast with the others there as our men stood side by side in the trenches in Flanders. He held the position which our men held in the trenches fighting for the freedom of this country and the freedom of the world. Had he not a right to occupy the position made for him by our soldiers, by the 60,000 of the best blood of this country who went over to France and sacrificed their lives for this peace? And yet my honourable friend said he was hanging on to coat-tails.

The honourable gentleman said that he had been reading all about this Treaty. Well, his remarks would indicate that the more he reads about a thing the less he knows about it. If he had been studying the affairs of Canada, if he had been following what our troops were doing, he would not have dared to get up in this House—pardon me, perhaps I should not use that word—but I say at least it would not have been decorous for the honourable gentleman to get up in this House and criticise the Premier of the country in the way he has done. The people of this country have endorsed the Premier to the very limit. I do not care what you may say about a vote here or there, and I think I can show it by the record.

Whatever may be our political differences, let us have a united vote on this peace

question. Who among us did not pray for peace? Who is there among us who, up to the eleventh of November, 1918, was not praying and wishing that peace would come? Those of us who had friends and connections there all prayed for it, and we all had friends there. Where will you find the man who was not praying for that peace? Yet to-day we are stumbling about debating whether or not we will ratify it. I feel confident that there is not a man in this House who will stand up and vote against this Bill.

I regret, Mr. Speaker and honourable gentlemen, that my honourable friend is not here, because I want to say that my honourable friend would be better employed standing on the street-corners selling a commodity that requires to be well roasted before it is palatable than in making such speeches as he has made. I say that because it is Parliamentary, and is as near as I can get to expressing my opinion of any man who stands up in this House to belittle the Premier and the leader of the people on such an occasion. If this were an ordinary election campaign, wherein the two sides were arrayed one against the other, I could quite understand one doing his best to get votes; but when he comes into this House it is a different matter. I do not care whether he calls himself a British Frenchman or a French Britisher; France and Britain are joined together, and are doing all they can to give effect to this Treaty. That being so, why do you find a man standing up in this House and declaring himself in such a way as the honourable gentleman has done? There is only one reason and that is that the spirit of partisanship is so strong in him that it would be impossible for him to do justice on any occasion.

Honourable gentlemen on the other side of the House no doubt feel that there may be certain expenses incurred if we pass this Bill. What does that mean? What is to be our contribution? We shall not be asked to contribute any more pro rata than the other nations in the League. We shall be asked to contribute only our fair share, and is there any man in Canada who does not want to do that? Is there any man in Canada who does not want the Treaty ratified and want it to continue in force for all time? How can that be if it has not got the endorsement of the best people in the world? Has it not got the endorsement of the English-speaking people? Has it not got the endorsement of the French-speaking people of France, and the French-speaking people of this country? In referring to the English-speaking people I should have mentioned also the French. We have those two peoples united; what more can you expect? What more guarantee can my honourable friend from De Lorimier (Hon. Mr. Dandurand) want? What more could be expected by the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain), or any other honourable member of this House, or any one outside of this House, whether he is a Britisher, or a Frenchman; or whoever he may be? The only man that might differ on this point would be the Sinn Feiner, and we have none of those in Canada; at least, I do not think we have; we do not want any of them anyway—that is my judgment; and I desire to say here that I consider myself as good an Irishman as there is in Canada. I take back water to no man in seeking to obtain for Ireland her rights in the right way. I do not think she should seek for them in any other way or that she should take advantage of anybody in order to get her rights. If she plays the game properly she will get her rights. Everybody who plays the game fairly will get his rights. I do not want to be misunderstood in making these statements. No man is prouder that he belongs to the Irish race than I am, and when it comes to discussing the question of Ireland I am prepared to take that position.

My honourable friend the middle member for Halifax (Hon. Mr. Roche), as he has been described, made a very patriotic speech. He said we are going to stand by the King, and I know that he will stand by the King, without any doubt. I know that he will vote with the King, that he will vote with the Parliament of Great Britain, with the Union Government, and with everybody who supports this Bill. That is how he will vote, because that is what he has said he will do, and I never knew of the honourable gentleman going back on any statement that he had made. I have heard him make statements which I did not like and which I tried to refute, but there is one thing that I can say of him, and that is that he never made a statement that he went back upon. Therefore I know how he will vote. I would like to see the vote of every honourable gentleman in this House recorded. Although the House was not unanimous regarding the resolution, I hope that it will unanimously endorse this Bill. Let us not quibble about a few cents. The present Government has no mandate to

continue in power forever; and my honourable friends opposite feel that at the very first opportunity the present Government will be put out of business. I say that there is no guarantee that the present Government will be permanent. There will be other Governments in this country; but whoever holds the reins of power in this country, whichever party may be placed on the treasury benches, we can trust them to deal with what is provided for in this Bill in a fair way.

We are in this league. We have heard talk about Canada being a nation. I am not going to discuss that question, for we have heard it discussed by the legal gentlemen. Of course, in many things, I do not think very much of their opinions. The longer they discussed this question the more complicated it became, as I have always told you would be the case whenever lawyers discuss any point. We are in the British Empire—why? Because we want to be there. Otherwise we would not want to be a part of the Empire. There would be nothing to hold us if we did not desire to remain. There is no honourable gentleman who has taken part in politics at any time during the last fifty years who does not know that there have been times when the British Government did not care where we were—whether we went over to the United States or where we went, because we were so much trouble. But that is not the case to-day. Our present relations have been brought about by our love of the British flag and British institutions. Our relations to-day are better than ever before, although we have been developing our constitions, as some honourable gentleman has said. I contend that he was perfectly right in that, and that we have an unwritten constitution just as much as the people of the British Isles have. Reference has been made to the British North America Act, but what does the British North America Act do for us? It tells us how to govern this country and how the powers are divided between the Dominion and the provinces, but it has nothing to do with our Imperial affairs, and we can deal with them in any manner we please. We are united with the British Empire today because of our love for British institutions, just as a man and a woman are united who have pledged themselves to each other. The Dominion of Canada, I say, is part of the British Empire because of that same love, that desire to stand by the British flag, and I say, "Whom God hath joined together let no man put asunder." We stand for British connection, the British flag, and the Peace Treaty.

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

Hon. Mr. CROSBY: Mr. Speaker, I understand that you have declared the motion carried unanimously.

The Hon. the SPEAKER: Yes.

Hon. Mr. CROSBY: Unanimously? Then my speech was not in vain.

NAVIGABLE WATERS PROTECTION BILL.

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 11, an Act to amend the Navigable Waters Protection Act. Hon. Mr. Daniel in the Chair.

On section 1—section of Act respecting removal of unauthorized works to apply to works built before 24th May, 1918:

Hon. Mr. LYNCH-STAUNTON: Mr. Chairman, I beg to move that in section 1, new subsection 3, the word "tidal" be inserted between the words "navigable" and "waters," in order that this Bill may not be taken to apply to small wharves and docks built innocently on inland streams and lakes, where there is no reason for their being disturbed. I wish the Bill to make clear that it does not refer to fresh water navigation.

Hon. Mr. POWER: That is, that it would not apply to navigation on the Great Lakes?

Hon. Mr. LYNCH-STAUNTON: It would not apply to the Great Lakes. I believe that the Government is satisfied that that amendment should be made.

Hon. Mr. BOSTOCK: Would you read the amendment, so that we might understand it?

Hon. Mr. LYNCH-STAUNTON: I may say that I discussed this matter with the Deputy Minister of Justice to-day, and after the discussion he authorized me to state that it would be satisfactory to him and to the Government to have the Bill amended as I have indicated.

The CHAIRMAN: I will read the section as amended:

(3) The provisions of this section shall apply and be deemed to have applied to any works constructed, built or placed in, upon, over, under, through or across any navigable tidal water at any time before the twenty-fourth day of May, one thousand nine hundred and eighteen, in like manner and to the same extent as they apply to any work thereafter so constructed, built or placed.

Hon. Mr. POWER: I should like to ask the minister in charge of the Bill if the Act which we are amending applies only to tidal waters.

Hon. Sir JAMES LOUGHEED: No, this applies to all navigable waters. But, owing to certain objections raised by my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton), I suggested that he should see the Minister of Public Works, who has charge of this Bill in the Commons, and the honourable gentleman informed me that not only did he see the Minister of Public Works, but he was referred by that honourable gentleman to the Deputy Minister of Justice, Mr. Newcombe, who suggested that the amendment would meet the requirements of the Bill, and stated that the purpose of the Bill was that no tidal waters should be impeded. I consequently accept the statement of my honourable friend from Hamilton that it should be amended accordingly.

Hon. Mr. POWER: I really do not see why there should be a distinction between the Great Lakes, for instance, and the Atlantic ocean. In the province of Nova Scotia there are, as everybody knows, a great many tidal harbours and in a good many cases there have been erections put up in these tidal harbours, in some cases before the union of the colonies. Under the wording of this Bill, as I understand it, the Government would be in a position to pull down or destroy those erections which existed at the time of Confederation.

Hon. Mr. LYNCH-STAUNTON: No.

Hon. Mr. POWER: I think that while it is very well to have the enactment apply to erections that have taken place since the passage of the Act forbidding these encroachments on navigable waters, yet where the structure was in existence before Confederation we should not undertake to authorize the Government to destroy it.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman allow me to explain? The original Act provides that in the case of any structure built before 1899 application may be made for approval to the Governor in Council. That has been done for the purpose of protecting the structures, because it has been decided that unless they have approval some members of the public might induce the Attorney General to give his consent to an indictment being brought against the person who had put those structures in public waters. It was provided in the original Act that wherever a structure had theretofore been built, an application could be made to the Governor in Council for an order validating that Act.

Hon. Mr. POWER: That diminishes the objection, of course.

Hon. Mr. LYNCH-STAUNTON: That takes away the objection mentioned by the honourable gentleman from Halifax, as to what was done before Confederation.

Hon. Mr. BARNARD: Would the honourable gentleman tell us the object of this legislation? It would appear to me that this is a change from what was evidently the policy two years ago, and I would think that there is probably some concrete case which the Department of Public Works or the Minister of Justice wishes to deal with. This is a matter which affects a good many localities on the different coast lines, and is a matter of considerable importance. I would like to know exactly what is the object of the legislation?

Hon. Sir JAMES LOUGHEED: I may say that I spoke to the Minister of Public Works on the subject, and he said he had no specific instance in view, although he was aware of certain structures having been built without authority, which should be removed. At the present time, I presume, that would involve the intervention of the courts; whereas under the amendment that procedure will be very largely dispensed with. Furthermore, the Bill, as I read it, is simply declaratory of the law. Assuming that there is an obstruction such as is mentioned by my honourable friend from Victoria (Hon. Mr. Barnard), if it had been placed there wrongly, without the authority of the Crown, it is manifest that the position of the wrongdoer would not be changed by reason of this legislation. He could not have secured, except directly through the Crown, the right to occupy lands on which he should not have trespassed. I do not see that this Bill can in any way affect cases of that kind. If a man has been a trespasser, he is still a trespasser, notwithstanding the legislation.

Hon. Mr. BELCOURT: My difficulty, Mr. Chairman, is that this amendment destroys the substance of the statute, chapter 115. Let us read section 5, which it is proposed to amend:

> Any bridge to which this part applies, which is built upon a site not approved by the Governor in Council, or which is not built in accordance with plans so approved, or which, having been so built, is not maintained in accordance with such plans, may, in so far as the same interferes with navigation, be lawfully removed

and destroyed under the authority of the Governor in Council.

I say the amendment now proposed destroys the whole effect of the statute in so far as concerns bridges built on non-tidal waters.

Hon. Mr. LYNCH-STAUNTON: No.

Hon. Mr. BELCOURT: Of course it does.

Hon. Mr. LYNCH-STAUNTON: The present Act does not apply to things that had been theretofore done.

Hon. Mr. BELCOURT: The present Act is what I have read.

Hon. Mr. LYNCH-STAUNTON: But the honourable gentleman, I think, is under a misapprehension. The present Bill is intended to apply, and does apply, to structures made after its enactment.

Hon. Mr. BELCOURT: After what enactment?

Hon. Mr. LYNCH-STAUNTON: This Bill applies to structures made before the enactment and does not apply to any structures made after the enactment came into force. It is quite clear.

Hon. Sir JAMES LOUGHEED: In order that there may be no doubt upon the question, I shall have the Committee rise and report progress.

Hon. Mr. BELCOURT: Perhaps my honourable friend will allow me to make my statement clear.

Hon. Sir JAMES LOUGHEED: Yes, and then the Committee will rise and I shall have to look into this question.

Hon. Mr. BELCOURT: What I mean is this. If I understand the object of this Bill and the provision which it is now proposed to add, which is subsection 3, it will have the effect of taking out of the statute every non-tidal bridge erected in Canada, whether built with or without approval. In other words, the section is tantamount to saying that chapter 115 shall not apply to the past or for the future to any bridge erected over non-tidal waters. I do not know whether my honourable friend from British Columbia (Hon. Mr. Barnard) agrees with me or not, but from what he said I think this point was running through his mind. I do not think there is any doubt that that is what it means.

Hon. Sir JAMES LOUGHEED: This information was conveyed to me by my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) just as we entered upon the session, and I think it is better that the Committee should rise and ask leave to sit again. When the question came up before the Commons, apparently it was not discussed at any length.

Hon. Mr. BELCOURT: If a concrete case exists which the statute is intended to remove, it seems to me it would be the honest thing to deal with that case and not interfere with a statute of this importance.

Hon. W. B. ROSS: Unless there is a class of cases.

Hon. Mr. POWER: I quite agree with the remarks the honourable gentleman from Ottawa (Hon. Mr. Belcourt). There are two subsections in the section which it is proposed to amend, and to those it is proposed to add a third. So that the provisions of the first two subsections will not apply to non-tidal waters. That, of course, is really sweeping away a very great portion of the existing law.

Progress was reported.

DOMINION BY-ELECTIONS BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 13, an Act to amend the Dominion By-Elections Act, 1919. Hon. Mr. Blain in the Chair.

The Bill was reported without amendment.

NATURALIZATION BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 14, an Act to amend the Naturalization Act, 1919. Hon. Mr. Thompson in the Chair.

The Bill was reported without amendment.

The Senate adjourned until Tuesday at 3 p.m.

THE SENATE.

Tuesday, October 7, 1919.

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

Prayers and routine proceedings.

OIL-PRODUCING MACHINERY.

MOTION.

Hon. Mr. FOWLER (for Hon. Mr. Domville) moved:

That, in the opinion of this House, Tariff Item No. 460 of the Customs Tariff, 1907, and amendments, should be so amended as to inmove any uncertainty or doubt as to whether the machinery used for the mining and retorting of Oil Shales may, under the said Item No. 460, be imported into Canada without the payment of duty and war tax, and will inquire if it is the intention of the Government to make such an amendment.

Hon. Mr. NICHOLLS: I would be quite in favour of the resolution if it were worded in such a way as to comply with that clause of the Customs Act which it is sought to interpret, and which makes provision for the importation free of duty of certain articles when not manufactured in Canada; but I rather object to passing in a perfunctory way a resolution, under the guise of an interpretation of a clause in the Tariff Act, which would have a bearing on the whole tariff.

I would move in amendment that the words "when not manufactured in Canada" be inserted after the words "war tax."

Hon. Mr. FOWLER: It is not the intention to have machinery imported to compete with machinery already manufactured in Canada. If the machinery required were manufactured in Canada the desire of the people going into this enterprise would be to purchase Canadian manufactured machinery. The item in the tariff says that these things should be imported free of duty when not manufactured in Canada; yet, by a ruling of the Customs Department, the duty is exacted, and this motion is only in order to make it clear that in such cases that impost should not be levied.

Hon. Mr. NICHOLLS: I quite understand the intention of my honourable friend, and I am quite in sympathy with him; but at the same time this resolution is drawn in such a way that it is misleading; because, if it were carried into effect, such machinery could be imported into Canada whether manufactured in Canada or otherwise. The words of the Customs Act specifically mention mining and other classes of machinery which may be imported free of duty when not manufactured in Canada. If the honourable gentleman would agree to the amendment I think the resolution would meet with the approval of all.

Hon. Mr. FOWLER: I do not think it is necessary, but I agree to it.

The motion, amended as proposed, was agreed to.

PETROLEUM OR HYDRO-CARBON OILS.

MOTION.

Hon. Mr. FOWLER (for Hon. Mr. Domville) moved:

That, in the opinion of this House, Tariff Item No. 1017 of the Customs Tariff, 1907, and amendments, should be so amended as to include therein, after the word "distribution," the words, "or for the transmission of Petroleum or Hydro-Carbon Oils," and will inquire if it is the intention of the Government to make such an amendment.

The motion was agreed to.

SMOKY RIVER COAL AREAS.

MOTION AND DISCUSSION.

Hon. GEORGE H. BRADBURY moved:

That an Order of the Senate do issue for a copy of the Order in Council cancelling the leases to certain coal areas in the province of Alberta, standing in the name of A. T. Shillington and C. A. Barnard.

He said: Honourable gentlemen, I make this motion, not so much for the purpose of securing a copy of the Order in Council, as for the purpose of drawing the attention of the House and the Government to the importance of conserving this coal area for the people of Canada. I hold in my hand a statement furnished to me by the Conservation Commission, giving the approximate estimate of the total probable coal reserve of Canada by D. B. Dowling of the Geological Survey. Honourable gentlemen will realize that Dr. Dowling is, or ought to be, the best authority in Canada on its coal resources, as he has devoted years of his time in studying and prospecting the different coal areas of the country. The figures are very illuminating and encouraging. They are so enormous as to be almost startling. When I say to this House that Canada has, according to Dr. Dowling, coal deposits amounting to 1,234,269,310,000 metric tons—in other words, Canada has coal enough to supply the civilized world with fuel for generations to come—this ought to be, and I am sure is, a very pleasing statement, and one that should make every Canadian realize what our great national resources mean. The figures are very illuminating in that they show the immense body of coal that we have; they startled me when I read them. Honourable gentlemen perhaps will be surprised to know that we have over a trillion tons of coal in Canada. That is an immense figure, and pretty hard to grasp.

I am going to place on record the estimates that Mr. Dowling has given of the

probable coal reserves in the different provinces, which are as follows:

Approximate estimate of total probable coal reserves for Canada:

Provinces or Districts.	Total Metric Tons.
Nova Scotia	9,718,968,000
New Brunswick	151,000,000
Ontario	25,000,000
Manitoba	160,000,000
Saskatchewan	59,812,000,000
Alberta	1,072,627,400,000
British Columbia	76,034,942,000
Yukon	4,940,000,000
Northwest Territories	4,800,000,000
Arctic Islands	6,000,000,000
Grand total	1,234,269,310,000

Hon. Mr. WATSON: Do I understand the honourable gentleman to say that there is coal in Ontario?

Hon. Mr. BRADBURY: Yes.

Hon. Mr. WATSON: I never heard of it.

Hon. Mr. BRADBURY: There is, according to the estimate which has been given to me by the Conservation Commission, 25,000,000 tons of, I presume, lignite.

Hon. Mr. TESSIER: I suppose that is a guess.

Hon. Mr. BRADBURY: The honourable gentleman (Hon. Mr. Watson) has questioned the return by the Conservation Commission made by Mr. Dowling, one of the most competent men in Canada to speak on this subject.

These figures, as I have said, are very illuminating. They show that we have 1,234,000,000,000 tons of coal. In other words, Canada has coal enough to supply the civilized world with fuel for generations to come. This ought to be, and I am sure is, a very pleasing statement to be able to make to this House, and one that should make every Canadian realize what our great natural resources mean to this country; and coal is only one of our great natural resources.

Possessing, as we do, these enormous coal deposits, it is humiliating to realize that we are depending almost entirely on the United States for our domestic coal, and for a large amount of our steam coal. We imported last year from the United States $70,592,357 worth of coal. I submit, honourable gentlemen, that it is anything but satisfactory, in view of our own enormous resources, that we are sending so large a sum of money out of this country annually for coal. It should and can be retained in Canada to help in the development of our own resources. According to the Customs Department statistics for the fiscal year ending March 31, 1917, the total quantity of anthracite coal which passed the ports of Fort William and Port Arthur into the western provinces was 505,715 tons, valued at $3,054,915. The total imports of anthracite coal into Canada were 5,320,198 tons, valued at $28,109,586, for the calendar year 1917. The total imports of bituminous round and run-of-mine coal for the same year was 12,407,486 tons, valued at $33,712,894; while the imports of bituminous slack, passing over a three-quarter inch screen, for the corresponding period were 3,129,776 tons, valued at $8,739,877. It is estimated that 50 per cent of the coal requirements of the western provinces is supplied from the United States mines, and that the value of the imports of coal into Fort William, Port Arthur and Manitoba amounts to some $14,000,000 to $18,000,000 annually.

For example, 500,000 tons of hard coal are imported yearly into Winnipeg and the western provinces, although there are 100,000,000 tons of high-grade anthracite coal and hundreds of millions of tons of first-class bituminous coal all lying undeveloped in what is known as the Hoppe leases north of Edmonton.

Regarding the quality of this coal, comparison of an average sample of coal from what is known as the Hoppe leases with run of mine from the best-known producing mines in the United States would indicate the very high quality of the coal from the Hoppe area and its exceptional thermal value.

Data on American coal from reports of United States testing plant:

	Carbon.	Ash.	B.T.U.
Anthracite, Pennsylvania.	75.2	16.3	12,472
Connellsville	74.3	10.4	13,406
New River, West Virginia	83.6	5.	14,857
Pocahontas " "	83.6	6.9	14,733
Hoppe, Alberta, Canada	79	2.3	14,870

The value of a coal, other conditions being equal, is dependent upon its thermal value—the British thermal units. The coal from what is known as the Hoppe leases, taking this standard, is evidently of better quality than the other coals, as noted. This coal that I am urging the Government to open up is probably of the highest quality and contains the greatest thermal of any coal deposit in the West, not excepting the Alaska deposit.

But Alberta contains, in addition to these great deposits, billions of tons of high-grade bituminous coal. It does seem to me ridiculous that the western provinces should be depending for

coal on the United States. Instead of being in this humiliating position, we should be large exporters of coal to all the states lying adjacent to our western provinces—Montana, Dakota, Minnesota—where there is a market for millions of tons. The fact that we are not producing in those great western provinces enough coal for our own use is, I contend, anything but flattering to Canadian foresight and enterprise. We should realize that Canada contains one of the greatest coal reserves in the world—at least one trillion tons, as I stated before, of anthracite and bituminous, the anthracite being equal or nearly equal in hardness to Pennsylvania coal. According to Mr. Dowling, we have over one trillion tons of bituminous coal, and, as I pointed out a moment ago, a large percentage of this immense coal deposit is of very high grade. The fact that we are depending on the United States for our annual coal supply, to carry on our great industries and to keep our people from perishing during the long, cold winters, is not only absurd; it is almost criminal that such a condition exists in Canada at the present time. I claim, honourable gentlemen, it is high time that the Government of Canada awakened to the real position which Canada occupies in this respect, and realized the necessity of developing immediately some of our great coal resources which would enable our people to obtain an abundance of coal at reasonable prices. Canada faces a serious situation to-day. It is getting more difficult year by year to secure supplies from our American cousins, and the prices keep soaring until to-day it taxes the ingenuity of hundreds of thousands of our citizens to procure money enough to provide coal to keep their families warm during the winter months. In addition to this fact, we are faced with another very serious aspect of the situation. The American coal producers, who, after all, are only human and are in the business for what money they can make, may at any time find a better market for their coal than Canada—and perhaps the time is not far distant. Just as soon as this occurs, we would be left without a ton of American coal, and under present conditions the suffering would be intolerable.

Simply because we have neglected entirely to develop our own great coal resources, we are left absolutely at the mercy of the United States coal producers. Surely this is not a wise or sane position for Canada to be in, especially when we can produce all the coal we require for our own use, and millions of tons for export purposes, if we take hold of the situation in a businesslike way. It all depends, honourable gentlemen, on the application of business methods to this great industry, and I trust we may prevail upon the present Government to apply those business methods. I sometimes feel that most of our Governments have lacked the business initiative that is necessary to develop our great natural resources. When I look back over what has taken place, or what has been neglected, during the last 25 or 30 years, I cannot but come to the conclusion that our different Governments have lacked the experience of business men, who would be able to handle a situation of this kind.

Last year this Chamber, by its prompt action, saved the country a most valuable coal area, in interfering in what was supposed to be done, or had practically been done, by one of the departments of the Government, in leasing some 18,000 acres of perhaps the most valuable coal area on this continent. After a thorough investigation, it was demonstrated beyond doubt that the leases never should have been granted. Consequently the Minister of the Interior, responsible to the people of Canada for the conduct of the department which has control of the coal lands, cancelled the leases and reserved the coal deposits for the Crown, on the advice of this House and on the evidence taken before your committee. It does seem a great pity that this policy of reserving the coal for the Crown had not been adopted years ago, when other great coal areas had been allowed to pass out of the possession of the Crown into the hands of private individuals. It is a notorious fact that hundreds of thousands of very valuable coal areas have been alienated from the Crown and are now held by speculators, who are not developing them to any great extent, or who, where they are developing the properties, are exacting the pound of flesh in almost every instance from the people who depend upon the products of these mines for industries or for domestic purposes.

I have one case in mind—a large coal mine operating 60 miles from a prosperous Alberta town, which is forced by the coal producers to pay $9 a ton for coal. Is there any honourable gentleman in this room who believes that that is an honest price? Does not any honourable gentleman feel that that would be almost extortion?

Hon. Mr. BOYER: The high cost of living.

Hon. Mr. BRADBURY: That is for bituminous coal lying within 60 miles of the town of Red Deer, which is paying, I am informed on good authority, $9.50 per ton. This is what is taking place under private ownership, and that is why I say that the Governments in years gone by have not been as active as I believe they ought to have been in protecting the interest of the public by conserving these great coal areas for the people.

After all, honourable gentlemen, these coal areas belong to the people of Canada and not to the Government. They are as essential to the comfort and the happiness of the people as are food and raiment. Consequently it is the imperative duty of the Government not only to conserve these resources, but also to develop them, so that the people may receive the product at the lowest possible price, and in abundance.

My purpose, honourable gentlemen, in bringing this matter before the House is to urge the Government to take immediate action in developing that great coal area known as the Hoppe leases, lying some 200 miles north of Edmonton. These leases, as I said a moment ago, were taken over by the Crown last session through the action and by the advice of this House. It is estimated by experts that at least 100,000,000 tons of high-grade anthracite coal is contained in this area, and can be mined at a cost not exceeding 50 cents per ton. In addition to this, it is estimated that we have fully 400,000,000 tons of high-grade bituminous coal lying in this same area. This surely emphasizes the immense value of this great coal deposit, and the wisdom of the action of this House last session. Of this immense deposit, 100,000,000 tons of high-grade anthracite, superior in heating quality to the average anthracite imported from the United States, is available. Twenty-five per cent of all this great deposit can be mined and placed in the hoppers at the railways ready for shipment, for a sum not exceeding 50 cents per ton, according to my information. I may say that the estimate given to me by a man who, I believe, knows the situation, was 30 cents a ton, but I have exceeded that estimate by 20 cents a ton, and I believe that my estimate is really excessive. I know there are honourable gentlemen in this room who have had something to do with mines and who have had to delve down hundreds of feet into the earth to find coal, and who would hardly realize that this is possible. But this is a gravity proposition. The coal is lying up on the hills. All the coal that is mined comes down hill. I am informed by Dr. Hoppe, the original discoverer of these mines, that every ton of this coal will come down hill. There will be no pumping of water and no hoisting of coal, and no timber required. So the coal can be delivered in the hoppers at fifty cents a ton.

The same authority informs me that he received an estimate from the Canadian Northern railway—it is, of course, a pre-war estimate—that this coal could be delivered in Vancouver for $2.50 per ton railway haulage. This means that this coal could be delivered to the city of Vancouver for a cost of about $3 per ton, and as far east as the city of Winnipeg for $4.50 a ton. This, of course, is the actual cost without provision for interest and profit; but, after allowing liberally for all this, I contend that this coal could be sold all over the three western provinces for one-half what the people are paying for coal at the present time.

The saving to Saskatchewan and Alberta would be much greater, on account of the fact that imported American coal has a much longer haul, which increases the cost to the Saskatchewan and Alberta users of hard coal. If the people of Manitoba and Saskatchewan can buy their hard coal for one-half of what they are paying for it at the present time, and have been paying for it, what a boon it would be! They import over 500,000 tons of hard coal each year. I claim that they can save fully $7 a ton, which would mean a direct saving to the people of $3,500,000 annually. This refers only to the hard coal. On the bituminous coal that comes into the western country, including the head of the lakes, the saving would be much greater because of the greater quantity. So it would be a reasonable estimate to say that if the Government opened up this great property on a business basis and supplied the coal to the three western provinces and to the head of the lakes, at the cheapest possible cost, we could save to those provinces directly $7,000,000 or $8,000,000 a year and give them an abundance of coal. All this goes to show the necessity of immediate action on the part of the Government in developing this great coal deposit which must be opened in the interest of the people at the earliest possible moment.

To accomplish this would require a considerable outlay. There would have to be built seventy miles of railway, from the present National Railway System at or near Entrance, in Alberta, into what is known as the Hoppe leases. It is estimated by

railway authorities that the railway would cost from $15,000 to $20,000 per mile. To put it at the outside figure, $20,000 a mile, that would mean an expenditure of $1,400,000 for the railway. In addition to that, Dr. Hoppe, who is, I believe, a good authority on this question, assures me that this property can be opened up so as to deliver in the hoppers 1,000,000 tons of coal annually for an expenditure not exceeding $200,000. That would make a total outlay of about $1,600,000 to make this great coal deposit a working mine, to provide a railroad, and make available for the people of the three great western provinces an abundance of highgrade coal at one-half the present cost.

I contend, honourable gentlemen, that the Government could well afford to advance this money. Say it cost $2,000,000. The Government could recoup itself in two or three years if it desired to do so, and could still furnish to the people of these three western provinces an abundance of high-grade coal at one-half the cost that the people of the West are paying for coal to-day.

Hon. Mr. DAVID: Could the honourable gentleman say whether or not it would be expedient to modify the tariff in order to encourage the coal industry?

Hon. Mr. BRADBURY: That, of course, would be a question for the Government to decide. I do not think there is any duty on hard coal anyway. I think it comes in free.

Another important factor is the financial condition of Canada. The balance of trade is very heavily against us at the present time, affecting our exchange to the extent of nearly five per cent. The development of this great coal property would make it unnecessary to import one ton of coal into these three western provinces, including the head of the Great Lakes, thereby saving between $18,000,000 and $20,000,000 annually, which goes out of Canada to pay for the coal of these western districts. This in itself would materially assist in correcting the balance of trade.

But, in addition to keeping this large amount of money at home, we ought to develop a great export trade in coal to the United States lying along our southern boundaries—Minnesota, Dakota and Montana—where there is a market for a million tons of coal annually; and I am satisfied we could supply a large percentage of this demand, and in doing so build up a great industry in Alberta that would employ thousands of men and incidentally create a large home market for the products of the farm and the factory.

In view of all these facts, I have no hesitation in urging the Government to cause this 70 miles of railway to be constructed at the earliest possible date, and this great coal property developed, with ample provision for the supplying of an abundance of coal to the western provinces and preparing for a large export trade which lies at our door. I am firmly of the opinion that an export trade in coal could be developed, which would more than offset the great balance of trade which appears against us at the present time in Canada.

Honourable gentlemen, this, to my mind, is a very important question. It is a question that affects the comfort of thousands and hundreds of thousands of people all over this country. I am firmly of the opinion, now that we control those great railway systems, the Canadian Northern and the Transcontinental, that it would be possible, once these great coal properties are operated under business methods by the Government, to send this coal as far east as Montreal and to sell it at prices that would make it practically impossible for American coal to come into our markets. As I pointed out a few moments ago, we are to-day occupying a very dangerous position. We are living in almost a fool's paradise. We are at the mercy of the coal producers of the United States, year after year. That this should be so is humiliating to a great country like this, when we know that we could supply at least our great western provinces with an abundance of first-class coal.

If the coal areas of the lower provinces had been developed in the interests of the masses of the people instead of in the interests of private individuals, there is no reason why that coal should not have been shipped west as far as Ontario, and in that way have taken the place of a large amount of American coal. That this has not been done is due to the policy of all governments up to the present time. I do trust, honourable gentlemen, that we are going to have a change. I am very hopeful that the action of the Minister of the Interior in cancelling these leases and reserving these great Hoppe coal areas for the Crown is an indication that the Government intends to hold these great coal reserves for the people of Canada and not hand them out to private individuals.

As I pointed out, these natural resources belong to the people of this country, and should be developed for the people and in

the interests of the people. If there is anything that is more needed than fuel, I should like some honourable gentlemen to tell me what it is. Fuel is just as necessary to the peace and prosperity of the people of this country as is the wheat that is taken off our western farms. Why should we place this great natural resource in the hands of private individuals, who secure the coal areas for a song, and develop them for the purpose of exacting their pound of flesh from the people of Canada? Can any one tell me or suggest for a moment that these great western properties are worked with a view of giving the masses of the people coal at reasonable prices? That would not be a business proposition. These mines are worked to give to the stockholders the biggest possible dividends. I contend that in this country we have reached the stage when we should ask the Government to intervene. I was told in the other House when I was pleading along these lines in another matter that I was advocating paternalism—that I was asking the Government to become the parent of some industry. In my opinion the time has come when we have got to have a paternal Government, a Government prepared to take hold of any of the great resources of this country and develop them for the people, instead of allowing an individual or a company to secure and control what has become an absolute necessity of life.

A great hue and cry has recently been raised all over this country because the packers have been allowed to control the meat markets and inflate the prices of many things that are necessary for human sustenance. Coal is just as necessary to the lives of the people as the meats and other products that these people have been dealing in. The same argument applies to everything used by the human family in Canada.

With these remarks I am going to allow this question to rest, and shall ask this Chamber to take some notice of the serious position which we in Canada occupy at the present time. I claim, honourable gentlemen, that if this mine is properly developed and business methods are applied to it, the people of Manitoba, Saskatchewan and Alberta will secure anthracite coal at one-half of the price of coal to-day. I do not think there is any question about that, and I have gone into the matter very carefully. But beyond all that is the outstanding fact that we are at the present time at the mercy of the coal producers on the other side of the line. I believe that the United States have been generous to the people of Canada, and that there has been a fair distribution of coal. I am told that this coal is selling in Regina for $17 or $18 a ton, and I believe it is selling in this city for something like $12 a ton. In some places, I am told, it is selling for as high as $20 a ton. Honourable gentlemen will realize that under such circumstances it is utterly impossible for poor people to buy this coal. The history of Alberta, Saskatchewan, and Northern Manitoba has been that hundreds of our farmers have suffered indescribable hardships from lack of fuel. People have been known to be compelled to burn their outbuildings and even their furniture in order to keep their children from freezing; and all this in spite of the fact that we have the greatest coal deposits in the world right at the doors of these people who are almost perishing. This is not flattering to any government. It is not flattering to the foresight of the past governments who should have foreseen what was possible at the time they were constructing those great railways, and should have conserved all these great coal areas and opened them up in such a way that the people of the western provinces could have secured coal at the minimum cost. Surely I am not asking too much in the interests of the masses of the people that our natural resources, which belong to the people, should be conserved for their benefit—those resources which were placed where they are by some great Power and for some good purpose. Surely that purpose was not that some individuals should become millionaires while the poor should freeze for the want of fuel.

I have no hesitation in urging that this matter be pressed home to the Government in such a way that it will see that the time has come for the development of these great coal areas. I would not confine this development to one area alone. I would ask the Government to develop other areas and to put coal on the market so that the people of the West could secure it at a minimum cost. I know that as soon as it is suggested that the Government should produce coal the private corporations will raise a howl, and say that they are unable to compete with the Government. All I can say is that every private company that is in that position should go out of business. This coal should be sold to the people at the lowest possible cost, without any regard to the companies who are operating mines in the West to-day. The people's necessi-

ties in this regard must be the first consideration.

Hon. GEORGE W. FOWLER: Honourable gentlemen, like most men of deeply philosophic mind, the honourable gentleman is woefully deficient in logic. Like others who are strong supporters of new economic theories, he bases his argument upon very few facts.

The honourable gentleman has spoken about the crime it has been that this particular mine in this particular locality of the Dominion has not been opened up. He has charged everybody in sight except himself with laches in this matter. This mine that has not been sending forth its product broadcast over the wide plains of the Northwest was in the course of being developed by a strong combination, and the little children that he depicts as weeping from cold and hunger in the hamlets of Saskatchewan would have had that cause of grief removed if this strong company or combination that was prepared to take this mine and develop it had been allowed to go to work. But this was prevented very largely by the eloquence of my honourable friend, and this vast treasure that was deposited underneath the ground during the eons of the past still remains undeveloped, and still the small Saskatchewan child cries for coal.

Hon. Mr. BRADBURY: I am well satisfied with my achievement.

Hon. Mr. POWER: The honourable gentleman says that the Government should do this. My honourable friend is a strong advocate of government ownership.

Hon. Mr. BRADBURY: Not always.

Hon. Mr. FOWLER: My honourable friend compares the importance of coal to the importance of wheat. Because it is just as important that the public should be kept warm as that they should be fed, my honourable friend says that the Government should operate the mines and warm the people. If my honourable friend is logical, as he ought to be, all the wheat farms of this country should be operated by the Government. It is just as important that that which produces food should be operated by the Government as that which produces warmth. Yet my honourable friend, I think, will not go quite so far as that, because then his position would appear as ridiculous as it really is.

My honourable friend speaks about how easy it is to operate this coal mine, because of its peculiar situation. Why, it would almost operate automatically. According to my honourable friend, a sort of lodestone might be arranged outside the mine which would draw out the mineral. My honourable friend seems to think that that is the only case of a coal mine being located in the side of a hill; and in that he shows his ignorance. My honourable friend should know that in any hilly country that is where coal mines are located. The situation of this coal mine is not different from that of others. I have never seen it, neither has he, so we have an equal knowledge in that regard.

I had once some stock in a coal mine. We had the same conditions as those which my honourable friend claims exist in this case, but we did not find that we could mine the coal for nothing. We did not find it so cheap to mine as my honourable friend says it would be—and when he deals with the Miners' Federation, he will find his fifty cents multiplied by at least four. That is the difficulty of the situation. You can compose a beautiful story if you manufacture your facts as you go along; but when you are confined to reality, your story is quite a different thing. Now, it seems to me that this Government has on its hands, in the operation of the railways which it has taken over, sufficient to occupy it for some time; and, until this Government, or any other Government that may succeed it, has demonstrated to the people of Canada that government ownership as regards railways is an absolute success, I think we had better wait rather than expect the Government to operate the coal mines or the wheat fields of this country or any other thing. I believe in government supervision of all these great enterprises, but I do not believe in government ownership and government operation.

Hon. EDWARD MICHENER: Honourable gentlemen, I would like, in support of the motion, to add a few words to what has already been said by the honourable member who had introduced this important question. The honourable member from Selkirk (Hon. Mr. Bradbury) has submitted to this House some very interesting data which should, I think, command the earnest attention of this honourable body as well as the immediate consideration of the Government. The honourable member gave us some figures as to the coal areas and reserves of our Dominion. He stated that the province of Alberta alone had one trillion tons of coal. This bald statement does not in itself convey a very adequate

idea of the immense coal reserves of that province. On a former occasion it was my privilege to say that in the province of Alberta, the province which I have the honour to represent in this honourable Chamber, we have 85 per cent of the coal reserves of the Dominion of Canada, over 50 per cent of the coal reserves of the British Empire and 15 per cent of the coal reserves of the world. We have in the province of Alberta alone such a quantity of coal that it would take 100,000 miners, working 300 days a year and mining an average of five tons each, over 6,000 years to exhaust the coal reserves of the province.

The honourable member from Selkirk has brought this question to the attention of the House, and I hope of the Government, at a very opportune time. I observe that one of the recommendations submitted by the Great War Veterans' Association to the Committee of the House of Commons for consideration refers to the development of our natural resources. The arguments which have been advanced by both of the honourable gentlemen who have spoken before me on this question involved the broad issue of government ownership or government control of our natural resources. The honourable member from Sussex (Hon. Mr. Fowler) spoke on the opposite side; but I think his speech but accentuated the importance of the question which the honourable member for Selkirk has brought to our attention. The honourable gentleman from New Brunswick criticised the logic of the honourable member who introduced the question; but perhaps his own logic was somewhat fallacious. The honourable member from Sussex said that the people of Canada have on their hands to-day a great railway problem, and that it was sufficient for the Government to solve that great problem before undertaking any other enterprise. Now, honourable gentlemen, I submit that if the Government would undertake the opening up and development of some of our great natural wealth in Western Canada it would help to solve at the same time the problem of our railways. We have, as you know, two transcontinental lines now controlled by the Dominion Government and running all the way to the Pacific. For a large part of that distance there is not productive traffic; and, in order to make these great national highways profitable and productive to the people of Canada, we must create traffic for them. The coal area in northern Alberta contains the highest grade of coal that has yet been discovered in the Dominion of Canada. It is an anthracite grade. I submit, honourable gentlemen, that if the Government did undertake to open up this coal area and to bring the coal for distribution, not only to the western provinces but also to Ontario and Quebec, a great part of the railway problem which is now upon our hands would be solved. By the creating of traffic for our national highways, not only would this problem be solved, but coal would be brought to the people of Ontario and of Quebec much more cheaply than they are getting it from the United States to-day.

We will say for the purposes of argument that the figures submitted by the honourable member who introduced the subject, as to the cost of mining coal on the Smoky river, are too low; that the mining would cost more than 50 cents per ton. I understand that the property is situated most favourably for low cost of mining. But we will say that it would cost one dollar a ton to mine the coal, and another dollar a ton to load it on board the cars. As the honourable gentleman stated, the mines are only 60 or 70 miles from the Canadian National railways west of Edmonton. We could put the coal on board the cars for $2 per ton, at about 100 miles on the other side of Edmonton. Let us allow $6 per ton for carriage, which, assuming that there are on the average 40 tons of coal to the car, would make $240 per car. As we have low gradients on both our national railways, we could carry a large number of cars, and the coal brought from that area, even though it were hauled a long distance, would supply a very remunerative traffic for our great national railways, and would at the same time bring the coal down to Ontario at a much lower price than we have to pay at the present time for Pennsylvania coal. The $2 a ton which it would cost to put the coal on board the cars and the $6 for bringing it to Ontario would make $8, and, if the overhead charges are placed at $1, the cost to the consumer in Ontario would be $9 a ton. I understand that to-day the price paid in the city of Ottawa for Pennsylvania coal is $12 a ton. So there would be a saving of $3 per ton to the people of Ontario; there would be a profitable traffic created for our national railways; and you would be to a certain extent settling the unrest in the country by developing our own resources for our own people and keeping the money in our own country instead of sending it out. I submit, honourable gentlemen, that it does seem improvident for the Dominion of Can-

ada, possessing as it does such a large percentage of the coal reserves of the world, to be importing coal at such a high price from the people of another country.

This whole question of government ownership is, as I have said, a very broad question, and one which needs to be very carefully examined, and I do believe that, if the Government would undertake something of a constructive character along the lines of the development of our great natural assets, we should solve to quite a large extent the unrest in the country to-day. The people would see that the Government of the country was earnestly desirous of doing something in their interest. It would provide employment in Canada for our surplus labour, and it would at the same time reduce considerably the cost of living by reducing the cost of one of the essential commodities of the people of this country.

Personally I am somewhat of a believer in public ownership and development of our resources, in theory; but I do not believe that it would be practicable or advisable for the Government to undertake the development of our coal areas, that is, to take over all the coal development of Canada. I do believe that if the Government would operate some of our coal areas it would provide a healthy competition with the private concerns which are now operating coal mines in Canada, and would have the good effect of regulating the price of coal and making it more reasonable to the consumer. I believe it is a good thing for the Government to create a healthy competition in various lines of industry for the public good; and, if the Government would undertake in the near future the development of such a coal area as has been spoken of by the honourable member from Selkirk, the effect would be, generally speaking, very beneficial to Canada, in the way of reducing the cost of living, developing our natural resources, creating wealth to pay off our public debt, keeping our money in our own country, providing employment for labour, providing traffic for our great national railways, and thus helping to a considerable extent in the solution of the railway problem, and last, but not least, in allaying the unrest in the country. I believe that some such constructive measure on the part of the Government of the day would be of great benefit in the development of industry and would not affect, as my honourable friend from Sussex (Hon. Mr. Fowler) seemed to think, the private interests which have undertaken the development of coal mining in Canada. It would provide a healthy competition, and would thus regulate to a reasonable extent the price which the people have to pay for coal. There is no doubt, honourable gentlemen, that, in some instances at least, we are paying too high for our coal to-day. I believe that it is a rather dangerous policy to appoint commissions to regulate the prices of commodities. It interferes with the law of supply and demand, it throws out of balance the laws of trade and commerce, and it is bound to entangle and hamper and jeopardize the financial interests of the country. I believe it is more reasonable that the prices of coal and other commodities should be regulated by the Government offering a healthy competition along different lines of development, rather than by the unnatural restrictions of a commission interfering with the natural laws of trade and of supply and demand.

So, viewing this question from whatever standpoint we may, I believe the time has come and is now opportune for the development of the great assets of Canada. While it may not be desirable or advisable, as I say, to undertake in any broad way government ownership and development of our great resources, yet I believe that the Government could well afford to undertake the development of some of our great natural assets in the interest of the people of Canada.

Hon. HEWITT BOSTOCK: Honourable gentlemen, I have listened with a great deal of interest to the speeches that have been made by the honourable gentlemen who have spoken on this matter. I think that the information that has been given to us by the honourable member from Selkirk (Hon. Mr. Bradbury) is very valuable, and shows us that we have great resources in coal in this Dominion of Canada. The great difficulty that I have found with regard to this question of development has been, especially in the case of coal, that the enormous resources of the country have made it very difficult to bring about the development. Private enterprises, in prospecting, have discovered coal in a large number of places. After it has been discovered in one place other coal deposits of a higher quality have been discovered elsewhere. That has militated against the opening up of various mines.

The question of the regulation of the price of coal is not a new one. Governments in this country have been trying to deal with it for a good many years past. Honourable gentlemen will remember that a special ar-

rangement was made with the Canadian Pacific Railway Company respecting the Crowsnest coal development, for the regulation of the rates on the railway. When those coal lands were turned over to private interests a large area was reserved to the Government in order that if the price of coal became exorbitant, it might be regulated in some way by Government development. It was thought wise that the Government should be in a position to take over coal lands and develop them, in order to place coal on the market in competition with private owners.

Hon. Mr. BRADBURY: Will the honourable gentleman permit me just one question? Does the honourable gentleman happen to know whether that coal reserve to which he refers still remains in the Crown?

Hon. Mr. BOSTOCK: I could not answer that question at the time, but I should imagine that it does.

Hon. Mr. BRADBURY: I hope it does.

Hon. Mr. BOSTOCK: I never heard of it being parted with. I should hope that it still remains in the Crown. As I understand, there is a large area of valuable bituminous coal. It was, I think, a wise move on the part of the Government to retain it.

In regard to this particular area which my honourable friend from Selkirk has dealt with, during the inquiry last session it was developed that very valuable coal was to be found. We all know that in the West and in Ontario coal of that quality is very desirable and is in great demand. To my mind, however, the question is whether it is advisable for the Government to take hold of the development of these areas. At the present time the Government railway is the nearest railway to these particular deposits, and the question which I think the Government should seriously consider is the building of a road into that part of the country for the purpose not only of supplying their own roads with that class of coal, which I understand is most valuable for the purpose, but also with the idea of placing this coal on the market for the benefit of the public. But I think the Government should be very careful in dealing with the question of taking hold of the actual development of these areas, because what would apply to coal to-day might at some other time apply to some other mineral resource of this country, and the Government might find themselves confronted with demands in every direction to take action towards the development of the resources of the country, and I do not think it is really a function of the Government to do that kind of work. If they were to undertake work of that kind, I think they would be interfering very greatly with the enterprise of the people, and the result, instead of being for the benefit of the people, might be to the disadvantage of the whole country. It would appear to me that the proper policy for the Government to pursue would be to exercise control over the mines, a control which they could exercise by reason of the fact that at the present time they have the railway in their own hands. By that means they could give the people the benefit of a low rate on the railway and to a great extent should be able to control the cost of production of coal at the pit's mouth. But I do not think that the country is prepared for any such policy as that of the Government actually operating the coal mines or undertaking other work of a similar nature in connection with the natural resources of the country.

Hon. Mr. McMEANS: May I ask the honourable gentleman from Selkirk if he has any information as to the quantity of coal used by the Government of Canada, or to what extent they are purchasers in the coal markets?

Hon. Mr. BRADBURY: In reply to the honourable gentleman from Winnipeg (Hon. Mr. McMeans), I may say I have not that information but I know that a tremendous amount of coal is required by the Government railways in the West alone. I understand that when the Government took over the Canadian Northern railway there were some coal mines operated for the benefit of that road. I do not know whether or not the Government secured those coal mines; I think at the present moment the Government is purchasing every ton of coal used on those systems. If that is so, it emphasizes more than anything else what I have been trying to bring to the attention of the House, namely, the necessity in the public interest of the Government opening up some of these great deposits. It does seem to me that it is more than ridiculous that we should have a transcontinental railway running through coal areas, and still be purchasing coal from private individuals for the operation of that railway.

The motion was agreed to.

PRIVATE BILL.

FIRST READING.

Bill 16, an Act respecting the North Empire Fire Insurance Company.—Hon. Mr. Turriff.

THE CANADA GRAIN BILL.

FIRST READING.

Bill 17, an Act to amend the Canada Grain Act.—Hon. Sir James Lougheed.

MILITIA BILL.

FIRST READING.

Bill 19, an Act to amend the Militia Act. —Hon. Sir James Lougheed.

WHEAT CROP GUARANTEE BILL.

FIRST READING.

Bill 20, an Act to continue in force the powers of the Board of Grain Supervisors of Canada so that it may conclude its business, and to continue in force a guarantee given by the Governor in Council with respect to the 1918 wheat crop.—Hon. Sir James Lougheed.

DIVORCE BILL.

FIRST, SECOND AND THIRD READINGS.

Bill B, an Act for the relief of Millie Wettlaufer.—Mr. Gordon.

DOMINION BY-ELECTIONS BILL.

THIRD READING.

Bill 13, an Act to amend the Dominion By-Elections Act, 1919.—Hon. Sir James Lougheed.

NATURALIZATION BILL.

THIRD READING.

Bill 14, an Act to amend the Naturalization Act, 1919.—Hon. Sir James Lougheed.

INTERPRETATION BILL.

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 4, an Act to amend the Interpretation Act. Hon. Mr. Bradbury in the Chair.

Hon. Mr. BOSTOCK: Can my honourable friend say if he has the Orders in Council that he promised to bring down to the House?

Hon. Sir JAMES LOUGHEED: I have some Orders in Council. When this subject was up a few days ago I think I promised that I would bring down a copy of the Order in Council by which the Interpretation Act as we have it on the statute-book was made applicable to the Orders in Council passed under the War Measures Act. I hold in my hand that Order in Council which reads as follows:

> His Excellency the Governor General in Council, under and by virtue of the authority conferred by the War Measures Act, 1914, is pleased on the recommendation of the Minister of Justice to order and doth hereby order and declare that every provision of the Intepretation Act, Revised Statutes of Canada, 1906, shall extend and apply to every order and regulation heretofore or hereafter passed by the Governor in Council in execution of the powers conferred by the War Measures Act, 1914, except in so far as any such provision (a) is inconsistent with the intent or object of such order or regulation, or (b) would give to any word, expression or clause of any such order or regulation an interpretation repugnant to the subject matter or the context, or (c) is in any such order or regulation declared not applicable thereto.

As I mentioned the other day, upon the declaration of peace this Order in Council will cease to exist, and therefore there will be no rule of interpretation applicable to the Orders in Council which have to-day been passed.

The honourable gentleman from Middleton pointed out the desirability of considering any proceedings that had been instituted by way of inquiry and action under any of the Orders in Council. In reply to him I may say that probably the only commission that really entrenches upon what I might term private interests would be the commission appointed to inquire into the paper and pulp business. Last session we passed substantive legislation by which the jurisdiction of that commission has been continued; therefore provision has already been made for that condition. Under the circumstances I can see no objection that can be raised to the Interpretation Act practically taking the place of or superseding the Order in Council to which I have just referred.

Hon. Mr. BELCOURT: I assume that the object of the Bill is to apply the Interpretation Act only for the time during which these Orders in Council, by virtue of the powers derived from the War Measures Act, can last; and there is no intention of making Orders in Council similar to these?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BELCOURT: Section 8 of the Interpretation Act provides:

Any Act may be amended, altered, or repealed by an Act passed in the same session of Parliament.

If you substitute the words "Order in Council" for the word "Act" you would have the strange anomaly that any Order in Council might be amended, altered, or repealed, which, manifestly, would not be the intention.

Hon. Sir JAMES LOUGHEED: That would be by Parliament itself.

Hon. Mr. BELCOURT: No, I do not think so.

Hon. Sir JAMES LOUGHEED: It says:

Any Act may be amended, altered, or repealed by an Act passed in the same session of Parliament.

Hon. Mr. BELCOURT: Yes; but by this Bill you are providing that the Council shall have the powers that Parliament has; so in that case it is quite clear that the present Orders in Council, though made only to last during the war, might to-morrow be altered, amended, or repealed by the Governor in Council.

Hon. Sir JAMES LOUGHEED: It seems to me that it is quite manifest that these Orders in Council cannot be continued after the declaration of peace, except in so far as, say, under the Interpretation Act a continuing act is being performed in pursuance of the power embodied in the Order in Council itself. But let us assume for the moment that these are Acts of Parliament. Is there any good reason why this should not be done?

Hon. Mr. BELCOURT: Well, unless it is intended to continue indefinitely—

Hon. Sir JAMES LOUGHEED: No, it is not intended; it is simply to give continuance to any Act that of necessity is in the course of performance under the Orders in Council.

Hon. Mr. BELCOURT: I dare say that is the object, but I am afraid the language used would carry us much farther than that. If this Bill passes, then the Governor in Council may amend, alter, or repeal any of these Orders in Council and substitute therefor anything he chooses.

Hon. Sir JAMES LOUGHEED: Well, these substitutions should operate only during the life of the War Measures Act. The War Measures Act itself falls to the ground upon the declaration of peace.

Hon. Mr. BELCOURT: That may be so.

Hon. W. B. ROSS: Honourable gentlemen, I have no objection to this Bill so far as it goes, and I would have no further objection to it if the Government are sure that there is no Order in Council involved other than the one that was dealt with by statute last winter—that is, the one in relation to paper—and that no injustice may be done to any subject on account of his remedy being taken away although his right remained in existence. But I do not see any reason why there should not be added to this Bill the clause which I am about to suggest. I would in the first place refer honourable members to the last half of section 5 of the War Measures Act, which provides:

But any and all proceedings instituted or commenced by or under the authority of the Governor in Council before the issue of said last-mentioned proclamation—

That is, the proclamation of peace—

—the continuance of which he may authorize, may be carried on and concluded as if the said proclamation had not issued.

The statutes under this Act are dealt with by the judges. When rights and obligations are continued that have existed under a law which has been repealed, they are dealt with by the courts. Now, under Orders in Council there may be rights and obligations arising that have to be determined, or may be determined, by commissions. What I see is that it is just possible that one of these Orders in Council might be continued under that section 5, and then, at some later date, the commission might cease to act. For instance the commissioner might die and there would be no person appointed to fill his place. Furthermore, some rights and obligations are created without the appointment of commissions, or the commissioners are appointed by a separate Order in Council. Such Orders in Council might drop, and I can see the possibility of a man having a right under one of these Orders in Council which you are by this new Bill continuing, and yet having nowhere to go to obtain his remedy. That is quite possible, in my view, although we have the assurance of the Government of the day that there are no cases such as these. But I do not know that, and what I would suggest to the Government would be to add this provision. It will not interfere in any case that is now provided for. It will serve as a blanket clause to cover any possible loophole that there may be in existing legislation, in order to give a remedy to a man who would

not have it otherwise. I would suggest that the following clause be added:

> And the Exchequer Court of Canada shall have power and jurisdiction, on petition, to inquire into and determine (in cases where there is no existing provision for compensation) what sums ought in reason and fairness to be paid out of public funds to persons in respect of loss incurred or damage sustained by reason of interference with their property through the exercise by the Crown of its rights and duties under such orders and regulations.

I may say that in England a commission was appointed by an Order in Council, the greater part of the language of which is contained in this suggested amendment of mine. Over there, as in Canada, they have a great many statutes providing methods of assessing compensation when property is taken; but it was seen that under the confusion created by the war and owing to the arbitrary steps that had to be taken in defence of the realm, there might be cases for which none of the existing acts provided compensation. They constituted a commission. The only substantial difference there may be between the English compensation measure and this amendment of mine is that in England the commission is authorized simply to assess damages and to report. I do not think that that is quite suitable to our circumstances. I think it is far better to give the Exchequer Court jurisdiction, and let the Exchequer Court determine the matter. I feel inclined, then, to move: that this clause which I have suggested be added to the Bill. If the Government are not quite ready to deal with that to-day perhaps it could stand over.

Hon. Sir JAMES LOUGHEED: I am not prepared to say that the Government will reject any suggestion which is made along this line; but provision has already been made under section 7 of the War Measures Act whereby any property, or the use thereof, may be compensated for by reference to the Exchequer Court. To what extent this would create a new obligation as against the Crown I am not prepared at the moment to say. One would have to be more or less familiar with the many transactions which have taken place in pursuance of the powers contained in the War Measures Act before being able to pronounce with any intelligence upon the scope of the amendment which has been moved by my honourable friend. I am quite satisfied that the Committee rise and report progress, and that we make inquiry into the soundness of the proposal which he has made. Inasmuch as it is not intended to interfere with the clause before us, I should like the House to pass upon this clause. Then the Committee can rise. We can give consideration to this proposed amendment when the Bill is before the Committee at its next sitting.

Hon. Mr. POWER: There are one or two things that occur to me with respect to this clause as we have it here. The proposed clause reads:

> Every provision of the Interpretation Act shall extend and apply to every order and regulation heretofore or hereafter passed by the Governor in Council—

As I understand it, the object of this clause as we have it is to provide that as to the Orders in Council passed under the authority of the War Measures Act the provisions of the Interpretation Act shall apply; but the Committee will see that under the wording of this clause those provisions will apply to other Orders in Council that have no connection whatsoever—

Hon. Sir JAMES LOUGHEED: Yes, but the honourable member has not read far enough. Let him read the following words:

> —by the Governor in Council in the execution of any powers delegated by statute.

That is the qualification.

Hon. Mr. POWER: Yes, I had noticed that, and I was going to refer to it: "In the execution of any powers delegated by statute." There may be, and there have been, various powers delegated to the Governor in Council by statute; but, as I understand, the desire of the Government is that the powers delegated by the War Measures Act are the only ones to be covered by this enactment, and I think that in order to make that clear this clause should be amended so as to substitute for the words "delegated by statute" the words "delegated by the War Measures Act." Then no question could arise as to whether the power was delegated by the War Measures Act or by some other statute. When you say "heretofore" there is no restriction: "Every provision shall extend and apply to every order and regulation heretofore or hereafter passed by the Governor in Council in the execution of any powers delegated by statute." I think that you should restrict that to the powers delegated by the War Measures Act.

Hon. W. B. ROSS: I think the honourable gentleman will find that there are a great many Orders in Council that were passed by virtue of other statutes, quite independently of the War Measures Act.

Hon. Mr. POWER: That may be.

Hon. W. B. ROSS: And there may be more need for this legislation with respect to them with respect to Orders in Council passed under the War Measures Act.

Hon. ARTHUR BOYER: Could we not try to agree upon something which would give this Bill a more angelic countenance? Line 13 contains the words "or would give to any word, expression, or clause thereof an interpretation repugnant." Is that word "repugnant" generally used in law?

Hon. W. B. ROSS: It is a good word.

Hon. Mr. BOYER: I had never seen it used for such a purpose as this.

Hon. Sir JAMES LOUGHEED: It is used very frequently in the statutes.

Hon. Mr. BOYER: Very well, if the lawyers are satisfied.

Section 1 was agreed to.

On motion of Hon. Sir James Lougheed, the Committee rose and reported progress.

BOARD OF COMMERCE BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 12, an Act to amend The Board of Commerce Act.

He said: Honourable gentlemen, it will probably be recalled that at the last session of Parliament we passed an Act for the constitution of a Board of Commerce. It was then provided that the salaries of the members of the board should be fixed by Order in Council. It is thought undesirable to do this—that they should be fixed by statute. The principal provision of this Bill is that which fixes those salaries. The other sections have to do very largely, if not altogether, with procedure.

Hon. HEWITT BOSTOCK: Honourable gentlemen, as I understand it, this is a Bill amending a Bill which we passed in the dying hours of last session. The original Bill was a rather long one, with several clauses. Its purpose was the creation of a board known as the Board of Commerce. This board has been sitting now for some time, trying to arrive at a solution of the question of the high cost of living. I have noticed that the board has come in for considerable criticism in various parts of the country, as to the action the board has taken, especially in trying to fix prices. On looking at this Bill, which we now have had more time to study than we had at last session when it was introduced here, we find that the board is largely overridden by the Government: Any order that it makes can be rescinded or amended by the Government. So the powers of the board are entirely under government control and the usefulness of the board in determining questions of prices and the high cost of living is, I think, limited very much to inquiring into such questions. Of course, the board may fix the price of any article; but the Government can immediately rescind or amend the order. I doubt that the work of this board is doing very much good. In the present condition of the country we should probably be able to obtain better results for the people by leaving the question of prices to the natural law of supply and demand. Whenever you try to interfere with those laws you find, I think, that considerable difficulty and hardship occur, by reason of the fact that you cannot provide for every case, for when you are fixing the price of one article you do not see what the effect of that is going to be on a large number of other articles.

One good feature of this Bill is that, whereas in the statute of last session it was left to the Governor in Council to fix the salaries, they are now to be fixed by statute, and we are to have an opportunity of knowing exactly what the salaries are.

Another question that has been raised in regard to this matter is, where the orders of the board are to be registered, so that the public may know what they are. In looking over the Act of last session, I do not see that it contains any provision making it necessary for those orders to be registered in any particular place. I presume that the honourable leader of the Government can tell us where the head office is supposed to be located, and that in accordance with the ordinary custom, the orders of the board will be registered with the secretary at the head office, wherever it is.

Hon. Sir JAMES LOUGHEED: Under section 42 of the Act provision is made for general rules, and the head office will be at Ottawa.

Hon. Mr. BOSTOCK: That is the position at the present time?

Hon. Sir JAMES LOUGHEED: Yes. Under section 15 of the Act the secretary shall reside in the city of Ottawa.

Hon. Mr. BELCOURT: When we are considering the matter in committee I should like my honourable friend to produce the instructions issued by the Government to this board, if such exist.

Hon. Sir JAMES LOUGHEED: Yes.

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

THE TREATY OF PEACE BILL.

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into committee on Bill 3, an Act for carrying into effect the Treaty of Peace between His Majesty and certain other powers. Hon. Mr. Boyer in the Chair.

On the preamble:

Hon. Sir JAMES LOUGHEED: A suggestion was made when this Bill came up for second reading, that it should be more comprehensive than it is, and should be made to apply to the other treaties which necessarily will have to be negotiated with different enemy countries. A treaty has already been signed between the Allies and Austria, and treaties are also being negotiated at the present time with different enemy countries. I therefore ask that the House concur in the following amendment, namely, that in the recital of the Bill the following should appear:

> And whereas a Treaty of Peace between the Allied and Associated Powers and Austria has since been signed, on behalf of His Majesty acting for Canada, by the plenipotentiaries therein named; and whereas other treaties of peace between the Allies and Associated Powers or some of them and the other nations with whom His Majesty is or has been at war may be signed on behalf of His Majesty acting for Canada.

And that where the word "treaty" appears the plural form, " treaties," should be substituted. This will give the necessary authority to the Government to do what is specified therein as to other treaties that may be negotiated from time to time, and thus obviate the necessity of again calling Parliament for the purpose of considering a Bill ratifying those treaties.

Hon. Mr. BOSTOCK: In that way I presume we shall be impliedly agreeing to these treaties? The Government has no intention of bringing down a resolution asking us to approve of the treaties?

Hon. Sir JAMES LOUGHEED: The Government would only be too glad to bring down those treaties and to give Parliament the fullest information on the subject.

Hon. Mr. BELCOURT: I do not suppose it matters so very much whether the treaties for the next year or the next twenty years are provided for in the fashion which my honourable friend now suggests. These treaties have been or are going to be ratified by the British Parliament, and we, especially on this side of the House, who want to be consistent and logical, claim that any approval on our part is like the fifth wheel to a coach. The treaties with all the other peoples with whom we have been at war are approved of in anticipation, and I think it is a dose that it is almost impossible to swallow to ask Parliament to approve in advance of treaties of which they know nothing—treaties which have not even been put before us, let alone considered, and some of which I do not think have been reduced to writing. Personally I do not care, because I think it matters not at all whether we approve or do not approve, because that is a function which is going to be exercised by the British Parliament with all the binding effects that ratification implies. Has this amendment gone through the Commons?

Hon. Sir JAMES LOUGHEED: No, this is an amendment to the Bill, but it is being introduced at the instance of the Government, and of course will go back to the Commons, and the preamble will be accepted by the Commons. If the position taken by my honourable friend is constitutionally correct, that it is not necessary that these treaties should be submitted to Parliament for ratification, but in any event would be ratified, then no harm is done.

Hon. Mr. BELCOURT: Except that I think it is putting Parliament in a very ridiculous position. I strongly object, not because it affects the matter, but because it affects the dignity of Parliament. If it were a matter of Canadian concern only, it would not be so serious; but we are going to be quoted all over the civilized world as having approved in advance a treaty that we have not seen.

Hon. Mr. POWER: I understand from the leader of the Government that the Treaty with Austria has actually been signed in Europe.

Hon. Mr. BOSTOCK: Can my honourable friend say what other treaties this will cover?

Hon. Sir JAMES LOUGHEED: It would cover the Treaty with Turkey and the Treaty with Bulgaria. I am unaware at the present moment what other enemy countries it is necessary to negotiate treaties with; but whatever treaties are entered into growing out of the recent struggle, this Bill of course would apply to.

The amendment was agreed to, and the preamble, as amended, was agreed to.

Subsection 1 of section 1 was agreed to.

On subsection 2 of section 1—Orders in Council may be revoked, etc.:

Hon. Mr. BOSTOCK: I should like to ask the leader of the Government in regard to this matter. It seems to me that it is rather doubtful whether the second part of that clause applies to the Orders in Council provided for in the first part. The second part reads:

> Any Order in Council made under this Act may provide for the imposition by summary process or otherwise of penalties in respect of breaches of the provisions thereof, and shall be laid before Parliament.

It would appear as if an Order in Council which did not provide for the imposition by summary process, and so on, was not included. There might be Orders in Council which would not have those provisions in them.

Hon. Sir JAMES LOUGHEED: This only makes provision that that particular Order in Council shall be laid before Parliament.

Hon. Mr. BOSTOCK: I do not see why we should provide in one case and not in the other? Under the usual procedure Orders in Council are laid before Parliament.

Hon. Sir JAMES LOUGHEED: Oh, yes. I suppose it is on account of the rather extraordinary provision that is made as to the imposition of fines and penalties.

Subsection 2 of section 1 was agreed to.

Subsection 3 of section 1 was agreed to.

On section 2—short title:

Hon. W. B. ROSS: Before we finish with this Bill, I should like to ask the leader of the Government a question about the War Measures Act. Section 4 of the War Measures Act says:

> The issue of a proclamation by His Majesty or under the authority of the Governor in Council shall be conclusive evidence that war, invasion, or insurrection, real or apprehended, exists or has existed for any period of time therein stated, and of its continuance until by the issue of a further proclamation it is declared that the war, invasion, or insurrection, no longer exists.

Then, section 5 says:

> It is hereby declared that war has continuously existed since the 4th day of August, 1914, and shall be deemed to exist until the Governor in Council by proclamation published in the Canada Gazette declares that it no longer exists.

When these peace treaties are signed and ratified and exchanged, first with Germany and then with Austria, what becomes of the War Measures Act? I am not so sure that section 4 or the first part of section 5 will become inoperative the moment the exchange of ratifications takes place. It would be a peculiar situation if Parliament adjourned and peace were declared at Paris, and we still had a statute keeping us at war. I have never for a moment challenged the right of the Dominion Parliament, under the defence power conferred on it by the British North America Act, to take all steps that were necessary for the defence of Canada, and to enact the War Measures Act; but I think it would be safe for the Government to insert a clause in this Bill providing that on the ratification of peace the Governor in Council should immediately have power to rescind sections 4 and 5 of the War Measure Act or declare them to be no longer in force.

Hon. Mr. BELCOURT: It would be simpler to say that the War Measures Act would have no effect.

Hon. W. B. ROSS: That would be another way of accomplishing the same end. Of course, you can sit down and cavil at some of these treaties; but I am not taking any technical objection at all, but we owe it to the people of Canada to guide them and to clear the slate as much as possible from all legal difficulties. I think the people ought to be told distinctly when our war legislation is at an end and when we are at peace.

Hon. Mr. BELCOURT: Does not my honourable friend think the proclamation of peace by the Imperial authorities will have the effect of at once destroying the War Measures Act?

Hon. W. B. ROSS: Assuming that that is so, there are a lot of people who will hold another opinion or who will be in doubt about it. That is a thing which I say should not exist. Even assuming that that is so, there is no reason why the War Measures Act should not be blotted out and done with. Why should business men be sent to their lawyers to ask as to whether this thing still exists or not? Why not tell them once for all?

Hon. Sir JAMES LOUGHEED: I can tell my honourable friend what the attitude of the Government upon the subject is, and it is the only logical one that can be taken. It is that, until a proclamation is issued by the Imperial Government that the war is over, the proclamation here will not issue. It is proposed immediately that proclamation is issued that a proclamation will be issued here by the Governor in Council. It would be an anomaly for Canada to issue

a proclamation that the war was over while the Empire was still at war. The Empire will continue to be at war until the issue of the proclamation by the Imperial Government. Therefore the issue of a proclamation by Canada would be an assertion by Canada of a fact that really did not exist.

Hon. Mr. BELCOURT: I do not think the honourable gentleman has dealt with the point really raised by the honourable gentleman from Middleton (Hon. W. B. Ross). The honourable gentleman from Middleton has not expressed an opinion one way or the other as to whether a proclamation by the Imperial authorities would act as a proclamation for us. It may be his opinion, but he has not said so. He points out that when the proclamation is issued by the Imperial authorities there will still be many people in Canada who will go on doubting whether that proclamation applies to Canada, and he thinks that Parliament should remove any doubt.

Hon. Sir JAMES LOUGHEED: There will be no occasion to remain in doubt, because upon the proclamation by the Imperial authorities the Government here will simultaneously issue a proclamation in Canada.

Hon. Mr. BELCOURT: My honourable friend would like this to be a part of the statute. We ought to say that upon the proclamation being issued so and so will happen.

Hon. W. B. ROSS: I would point out that the Imperial Parliament has been legislating. They passed an Act in November of last year which says:

> The King in Council may declare what date is to be treated as the termination of the present war, and the present war shall be treated as having continued to and having ended on that date for the purposes of any provision in any Act of Parliament, Order in Council, or proclamation, and except where the contracts otherwise require, . . . the date so declared shall be as nearly as may be the date for the exchange or deposit of ratifications of the treaty or treaties of peace.

Then, further on, it says:

> His Majesty in Council may also similarly declare what date is to be treated as the date of the termination of war between His Majesty and any particular state.

There may be altogether four different days. The first would be, I fancy, that of the exchange of the ratifications of the Treaty with Germany; the next will be that of the ratifications of the Treaty with Austria; then the ratification of the Treaties with Bulgaria and Turkey. I do not quite see what is going to happen. We have no legislation here enabling the Governor General to issue four separate proclamations. When His Majesty the King declares peace between Great Britain and Germany, are we to defer our proclamation with regard to Germany until Bulgaria and Turkey have been dealt with?

I think myself it would be much better if this War Measures Act were wiped off altogether. I do not see why we need it now, because it is only technically in the language of international law that we are at war. When you look back at what has taken place since the Armistice was signed in November of last year, you find the Prime Minister of England saying we are at peace; you find that the King issued a proclamation of peace, which was published in London with great ceremony; you find the President of the United States telegraphing Congress that there was peace. In the language of the street, in the language of every-day life, we are now at peace; and it is that language that governs in the construction of a statute. For that reason I think it is fair to say that we are at peace and that this measure should be got out of the way, so that a man may not be forced to go into court and perhaps take a law suit all the way to the Privy Council to have it decided that this thing is not in force.

Hon. Mr. BELCOURT: What is the exact wording of the amendment my honourable friend proposes?

Hon. W. B. ROSS: That Chapter 2 of the Statutes of 1914 be repealed—

Hon. Mr. BELCOURT: That is the War Measures Act?

Hon. W. B. ROSS: Yes.

Hon. Sir JAMES LOUGHEED: The Government will not accept that.

Hon. W. B. ROSS: —saving the rights and liabilities which were created under that, and which we are dealing with by amending the Interpretation Act so as to cover Orders in Council.

Hon. Mr. BELCOURT: My honourable friend might, perhaps, have it amended in this way: that upon the proclamation of peace by the Imperial authorities the Act should be repealed. I would suggest that.

Hon. W. B. ROSS: But, as I have pointed out to honourable gentlemen, there may be four proclamations over there. Which one are we to act on?

Hon. Sir JAMES LOUGHEED: The Government, under section 4, will exercise its own discretion as to when that proclamation should issue. That is the only way. The machinery is already provided there.

Hon. W. B. ROSS: The answer to that is that that may be 15 years from now.

Hon. Sir JAMES LOUGHEED: The Government has to assume the responsibility of that.

Hon. W. B. ROSS: That is all very well. The Government may assume the responsibility; but in the meantime there are many persons who have to assume the responsibility of carrying on their business, and who find this question as to whether we are at war or not interfering very much with them.

Hon. Mr. BELCOURT: I do not think my honourable friend need worry. Does he not consider that when the proclamation is made by the Imperial authorities the courts of justice in Canada will consider themselves bound by that, notwithstanding any action the Government may take in the matter?

Hon. W. B. ROSS: But why should a man have to go to the courts? Why does not Parliament tell the people off-hand?

Hon. Mr. BOSTOCK: Does the honourable gentleman from Middleton know whether or not the date for the declaration of peace has been fixed in England? There was a proclamation of peace made, I think, some time in July.

Hon. W. B. ROSS: Yes.

Hon. Mr. BOSTOCK: Was that date fixed under the Act that he has quoted?

Hon. W. B. ROSS: No; there is no reference to that in the statute that I read, enacted in November.

Hon. Mr. BOSTOCK: No reference to the proclamation?

Hon. W. B. ROSS: The statute that was passed in November, 1918, is beyond a doubt a result of a report that was made by a commission of nine judges and lawyers as to the meaning of the words "the termination of the war," "the end of the war," "the declaration of peace." It was pointed out that there were eight or ten different expressions used in the legislation, and they advised that a statute be passed fixing the date. I have no doubt that this statute, passed in November, 1918, by the Imperial Parliament, was enacted in order to get clear of ambiguities. While we are dealing with these treaties I would like to see these ambiguities cleared up once and for all, in order that we may know definitely when the war is over. When the Treaty with Germany is ratified, there are still the other three treaties.

Hon. Mr. POWER: I think that we would naturally and reasonably assume that when the King of England issues a proclamation to the effect that the war is over, his loyal subjects are bound to accept his statement.

Hon. Sir JAMES LOUGHEED: This proclamation will be issued then.

Hon. Mr. POWER: And if we have any hesitation about the matter, when our own Governor General issues a proclamation to the same effect I think that will make it pretty tight.

Hon. W. B. ROSS: But I want to point out to the honourable gentlemen that there is not the slightest chance of the King of England issuing a proclamation that there is peace. He has to deal with the four countries—with Germany, with Austria, then with Bulgaria and Turkey. He will necessarily ratify the Treaty with Germany within a very few days if it is true that Italy has ratified the Treaty; and there is no doubt about the anxiety of the Imperial Government to have that Treaty with Germany ratified. But you still have Austria, Turkey, and Bulgaria to deal with. Hungary, which was part of the old dual Empire, will also have to be dealt with, and will make No. 5. There is in Hungary no stable Government to make a treaty. There may be in Bulgaria; there certainly is not in Turkey. You do not know when you are going to get clear of all this.

Hon. Mr. BELCOURT: You have approved the Treaty, though.

Hon. W. B. ROSS: Certainly.

Hon. Mr. POWER: Before the committee rises I wish again to call the attention of the honourable leader of the Government to a suggestion that was made by the honourable leader of the Opposition. If an Order in Council is made under sub-clause 2 of the clause that is now before us, it must be laid before Parliament, " as soon as may be after it is made;" there is no provision with respect to anything done by the Governor in Council—that is, anything at all —an Order in Council made, or offices established, or appointments made. It seems to me that it is really more important that Parliament should have a report of the

doings of the Governor in Council under sub-clause 1 than it is as to those under sub-clause 2. The Orders in Council are published in the Gazette. I think that at the end of sub-clause 1 there should be such words as these added:

He—

—that is, the Governor in Council—

—shall submit to Parliament as soon as may be after any action under this subsection a report of such action.

Parliament has a right to know what appointments have been made, what offices have been established, and what Orders in Council have been made, and I think that the Bill should contain a provision of that sort.

The Bill was reported as amended.

NAVIGABLE WATERS PROTECTION BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 11, an Act to amend the Navigable Waters Protection Act. Hon. Mr. Crosby in the Chair.

Hon. Sir JAMES LOUGHEED: When the Committee rose a day or two ago I said that I would make further inquiry into the amendment which was moved by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), and in which it was proposed that, in subsection 3 of section 1 the word "tidal" should be inserted between the words "navigable" and "water," so that it would read, "navigable tidal water." I have done so. The Deputy Minister of Justice has given the matter careful thought, likewise the Parliamentary Counsel, Mr. Gisborne, and likewise our own law clerk, Mr. Creighton. This amendment will meet the purpose which the Government has in view.

Hon. Mr. BELCOURT: What is it that the Government has in view?

Hon. Sir JAMES LOUGHEED: The Government has in view the removal of any structure which may be across any tidal water. It is desired that the Government should have authority to remove it without the intervention of the court.

Hon. W. B. ROSS: That is, where the structure is not authorized.

Hon. Sir JAMES LOUGHEED: Yes, where the structure is not authorized. It is not proposed to amend section 2 of the Bill, sub-clause 9A; it is proposed only to insert the word "tidal" in sub-clause 3 of section 1.

Hon. Mr. BOSTOCK: I think we passed clause 2 the other day, when the Bill was in Committee before. The Bill was left over for the purpose of dealing with this sub-clause 3 of section 1.

Hon. Sir JAMES LOUGHEED: No; I think it stood that way.

Hon. WILLIAM ROCHE: Mr. Chairman, I am not, as you know, a lawyer. I wish that the honourable member for Hamilton (Hon. Mr. Lynch-Staunton), when he proceeded on his mission, had taken more fully into consideration the subject which he had in hand, and had extended his amendments further. This clause goes from the 24th of May, 1918—ad urbe condita—to the beginning of time. It unfixes the title of every property which might be deemed by the Government or any department of the Government to be an obstruction, no matter how the title has been secured, or no matter how long it has been in possession. This applies in the city of Halifax in unfixing the title to all the wharves and all the erections on the wharves in that city. The possession of any of them may be attacked by any person under this Act. Those grants of land—the wharves and the stores erected on them—were many of them grants of land made by the British Government before there was a legislature in Nova Scotia. Possession goes back to the settlement of Halifax. It could not be unfixed by this measure. You may pass this legislation if you like; any one could take it to the courts of England and upset the whole of it. It would be a most dangerous Act, also, to have in force, because it would subject people to actions of law in defence of their titles. I do not think that was ever contemplated by the Government. The senior member for Halifax (Hon. Mr. Power) will know that this subject was contested in the courts. The city of Halifax erected a fence on a portion of the common within 600 feet of the salient angle of the citadel. Col. Nelson, of the Engineers, on behalf of the British Government, one of the strongest contestants there could have been in the case, knocked down the fence and brought on an action against the city of Halifax. It was proved that the land in question had been in the possession of the city as a common for over 60 years, and the judge's decision was that, although the British Government contested the claim, the 60 years' possession gave the city of Halifax a title to the land, in spite

of any law or action or anything else, even by the British Government.

There was another case in question. The Railway Department of the Dominion Government expropriated two wharves of mine in the city of Halifax, on which pier No. 2 and pier No. 3 are now built. Very naturally I sought some compensation from the Government. My honourable friend from Middleton (Hon. W. B. Ross) will bear me out in this. In the trial the Government set up the contention that my remuneration was to be diminished on the ground that I had not been in possession of the land and water lot in question for 60 years. Well, I was able to demonstrate by witnesses that we had been in possession of it for 60 years, and the judge decided that that contention was to be struck out of the case. My honourable friend from Middleton did me the honour on that occasion to defend me. I was opposed by very eminent counsel, Sir Robert Borden and Mr. Cahan, the leader of the Conservative Opposition in the legislature; but, notwithstanding all that, the eloquence and legal knowledge of my honourable friend from Middleton prevailed, and I obtained a verdict against them. Therefore I say that this legislation is improper under the circumstances.

Hon. Sir JAMES LOUGHEED: Will my honourable friend point out in a more specific manner the way in which this would interfere with the interests which he has mentioned? Under the law of 1918, there had to be authority for the building of the structure, for which we now propose making further provision. If my honourable friend's structures were not in accordance with the law of 1918, this would in no sense further interfere with them.

Hon. Mr. ROCHE: I do not think there is any restriction whatever against any person attacking the title of a property or inducing the Government or any department of the Government to pronounce it to be an obstruction. No matter when it was erected, it is now by this law, if we pass it, an obstruction, and is liable to be removed, although it has been in the possession of the owner maybe 100 years or more. All the wharves and stores in the city of Halifax would come under this Act —and, I daresay, all the wharves in the whole province of Nova Scotia. I do not know about the other provinces.

Hon. Mr. BOSTOCK: May I point out to the honourable member for Halifax (Hon. Mr. Roche), that this amendment to section 5 has to be read in connection with section 6 of the Act, which is chapter 115 of the Revised Statutes as amended by the statutes of 1918. Under section 6—

> The provisions of the two sections last preceding—

That is, sections 4 and 5—

> —shall not affect any bridge constructed before the 17th day of May, one thousand eight hundred and eighty-two, which hereafter requires to be built or repaired, if such bridge, when so rebuilt or repaired, does not interfere to a greater extent with navigation than on the said day or theretofore.

I think that covers the point that my honourable friend has raised.

Hon. Mr. POWER: But honourable gentlemen will see that this subclause 3 really does away with that contention. It says:

> The provisions of this section—

That is, section 5—

> —shall apply and be deemed to have applied to any work constructed built, or placed in, upon, over, under, through, or across any navigable water at any time before the 24th day of May, one thousand nine hundred and eighteen.

I am not going to deal with that question which has been placed before the Government already; but I shall call attention to this point, which I think is more important. Subclause 3 means, as I take it, that the provisions of this section shall not apply to works in non-tidal waters. This will take all the obstructions in fresh water out of the jurisdiction of the Governor in Council. I should like to hear what the honourable gentleman from Middleton (Hon. W. B. Ross) thinks of that. When you say the provisions of this section shall apply, you practically say that the provisions of subclauses 1 and 2 shall not apply to works other than those specifically mentioned later on.

Hon. Mr. BELCOURT: That is the point which I raised the other day, and which I think, on reflection, is well taken. Let me put it in another way. Sections 4 and 5 of the original Act, chapter 115, require that the Government shall approve the erection of any bridge. In 1918, by section 2 of chapter 33, we said that sections 4 and 5 of the Navigable Waters Protection Act are repealed, and the following substituted therefor:

> No work shall be built or placed in, upon, over, under, through, or across any navigable water unless the site thereof has been approved by the Governor in Council, nor unless such work is built, placed, and maintained in accordance with plans and regulations approved or made by the Governor in Council.

Then, subsection 5, which it is now proposed to amend, reads as follows:

Any work to which this part applies—

—which would be in tidal waters as well as non-tidal waters—

Hon. Sir JAMES LOUGHEED: That is the only one we are dealing with.

Hon. Mr. BELCOURT (reading):

Any work to which this part applies which is built or placed upon a site not approved by the Governor in Council, or which is not built or placed in accordance with plans so approved, or which, having been so built or placed, is not maintained in accordance with such plans or regulations, may be removed and destroyed under the authority of the Governor in Council by the Minister of Public Works,

—and so on. We say there that any work of that sort may be removed by the Crown. Now, we go on to say that will not apply. If the amendment of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) is adopted, that will not apply to non-tidal waters, so any one can erect a bridge in defiance of chapter 115.

Hon. Sir JAMES LOUGHEED: No. We are passing a specific provision simply as to tidal waters, touching the works enumerated in that section. That does not disturb the law.

Hon. Mr. BELCOURT: The Bill says that the provisions of the statute of 1918 shall apply to tidal waters. The necessary implication is that they shall not apply to non-tidal waters.

Hon. Sir JAMES LOUGHEED: If my honourable friend will read sub-clause 3 he will observe that this amendment is to be applicable to a condition that existed before the 24th of May, 1918; and that particular provision shall apply only to navigable tidal waters; it will not apply to the other general provisions.

Hon. Mr. BELCOURT: I used rather loose language. I should have said it will apply to future bridges, but to any bridge that was erected before the 24th of May, 1918, if the obstruction is erected over a non-tidal water, it does not matter to what extent it infringes on the Act; it does not matter to what extent it obstructs navigation; it is not liable to be removed.

Hon. Mr. POWER: I should like to hear from the honourable gentleman from Middleton (Hon. W. B. Ross) on this point. He probably has thought it over.

Hon. W. B. ROSS: No, I have not.

Hon. Sir JAMES LOUGHEED: I might further say for the information of the House that what the Government has in view is this particular class of obstruction erected over or through a navigable tidal water.

Hon. Mr. BELCOURT: I believe I know what the Government is after. There is a place somewhere around Hamilton, I believe, which to-day infringes chapter 115.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BELCOURT: I submit in all seriousness that the amendment will have the effect of releasing wholly from the operation of chapter 115 all bridges erected in non-tidal waters before the 24th of May, 1918, and to-day it does not matter to what extent navigation has been obstructed, the Government will not have the power to remove the obstructions.

Hon. Sir JAMES LOUGHEED: There may be something in the contention as to the Government exercising the special machinery designed by the Act for the removal of these structures; but it would not give the right to a trespasser who had erected a structure over an inland navigable stream. This simply deals with a special class of machinery to be put in motion by reason of navigable water being impeded. It does not interfere with the jurisdiction of the courts.

Hon. Mr. BELCOURT: If it is only with regard to the matter of executing the Government's wishes in the matter, why make a difference between tidal and non-tidal waters? Why apply a remedy in one case and refuse it in the other?

Hon. Sir JAMES LOUGHEED: One wrong might be very much greater than the other, the trespass might be manifestly greater; and in the public interest it might involve some more radical machinery for its removal.

Subsection 3 of section 1 was agreed to.

Subsection 2 was agreed to.

The preamble and title were agreed to.

The Bill was reported with one amendment.

EASTCOTT DIVORCE PETITION.

On the Order:

Consideration of the third report of the Standing Committee on Divorce, to whom was referred the Petition of Arthur LeRoy Eastcott, together with the evidence taken before the Committee:

Hon. Mr. BOSTOCK: Has my honourable friend received the evidence in this case?

Hon. W. B. ROSS: I do not think so.

Hon. Mr. CROSBY: Before this question is dealt with I think the evidence should be brought down. I heard some of the evidence, and I was surprised to find that the committee had reported in this way. The evidence should be before us. The report states that the evidence has been laid on the Table, and one would infer from that that we had received the evidence. I have not received it, and I think the report should not be adopted.

Hon. W. B. ROSS: That is the printed evidence. The evidence is always returned, and it is here.

Hon. Mr. CROSBY: I am not making any complaint at all; but I think the members of this House should have the evidence before them before they can fairly vote on a matter of this kind; and I would ask that this motion stand over until the evidence is furnished to the members.

Hon. W. B. ROSS: You mean the printed evidence?

Hon. Mr. CROSBY: Yes. We always get a printed copy of the evidence.

Hon. W. B. ROSS: There is no reason why it should not stand until Thursday.

The Order stands.

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

THE SENATE.

Wednesday, October 8, 1919.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS.

INQUIRY.

Hon. Mr. BOSTOCK rose in accordance with the following notice:

That he will call the attention of the Government to the Act 9-10 George V, Chapter 13, intituled, ".An Act to incorporate Canadian National Railway Company and respecting Canadian National Railways," and will inquire:

1. Has the organization of the Canadian National Railways been completed under the said Act?

2. Is the operation, further extension and construction of these railways being carried on under the power conferred by the said Act?

Hon. Sir JAMES LOUGHEED.

He said: Honourable gentlemen, I desire to make a few remarks with regard to the inquiry which stands in my name. I think that, now that we are approaching the end of the session, it is in the interest of the country that we should know what is the exact position with regard to the Act which was placed on the statute book last year, the Canadian National Railway Act. The Bill, which was brought down in another place, was passed with considerable haste. The Government, apparently, were so anxious to get this Bill enacted that they thought it necessary to introduce the closure in order to put the legislation through as quickly as possible. That closure was really introduced before the whole Bill was printed. Some 45 clauses were added to the Bill after the closure rule was introduced. I mention this to show the haste with which the Government had this legislation passed. The Bill came up here, was put through the Senate, and was assented to on the 6th of June; but, as far as I have been able to ascertain, no action has been taken with regard to the further incorporation of this company, the formation of the Board of Directors, and the placing under this Act of the railways which it was intended to include in it. As honourable gentlemen may remember, provision was made in clause 11 of the Act that the railways should be brought under the control of the company by Order in Council. The clause read:

The Governor in Council may from time to time by Order in Council entrust to the company the management and operation of any lines of railway or parts thereof, and any property or works of whatsoever description, or interests therein, and any powers, rights or privileges over or with respect to any railways, properties or works, or interests therein, which may be from time to time vested in or owned, controlled or occupied by His Majesty, or such part or parts thereof, or rights or interests therein, as may be designated in any Order in Council, upon such terms and subject to such regulations and conditions as the Governor in Council may from time to time decide; such management and operation to continue during the pleasure of the Governor in Council and to be subject to termination or variation from time to time in whole or in part by the Governor in Council. Any such Order in Council shall be laid before Parliament within ten days after the opening of the next ensuing session, or if Parliament be sitting at the time such Order in Council is passed, then within ten days from the date of said Order in Council.

So far I have not been able to find that any Order in Council has been passed under the terms of that clause to bring these various railways under the control of the Canadian National Railway Com-

pany, and I think it is in the interest of the country that the people should know the present situation of this railway. A large amount of construction is being carried on in various parts of the country by the different railways of the Canadian Northern Railway system, and, if I understand aright this Act, Chapter 13 of the Statutes of 1919, its clauses would come into force as soon as those railways were brought under the Act.

Honourable gentlemen may remember that a change was made with regard to the expropriation of land under the Canadian National Railway Act, and it is quite possible that considerable hardship and difficulty might occur to individuals in cases where one of the newly constructed railways is running through their property. There was brought to my attention during the recess a case in which considerable hardship is apparently being caused to individuals through the action that we took last session in amending the Consolidated Railway Act. At that time, as honourable gentlemen will remember, we changed the conditions under which arbitration proceedings were to be carried out under the Act. In the case brought to my attention, on account of that change, certain matters relating to the taking of land for the railway had all to be gone over again. Although the expropriation proceedings had been started before the new Consolidated Railway Act came into effect, it was held that, on account of some alterations that had to be made and some new questions that had arisen, the whole matter must be taken up de novo before a judge of the County Court. It seemed to me that that was a hardship on the public. I think that no honourable gentleman in this House ever anticipated that such a condition would arise after that general Railway Act was dealt with. We all agreed, I think, that the change respecting the County Court judge was a good change to make; but I was myself under the impression that any action under the old Act could be continued before a Board of Arbitrators. I desire to suggest to the Government that, if such difficulties as I have indicated are possible under the Canadian National Railway Act, they should, in passing Orders in Council under clause 11 of the Act, provide if possible that conditions of this kind should not arise when the various railways are transferred from their present status and brought under the Canadian National Railway Act.

There is another point with regard to that Act. As honourable gentlemen will remember, there was in that Act a clause which took the auditing of the accounts of the Government railways out of the hands of the Auditor General, and under the present circumstances we do not know exactly how that matter stands. I presume that, had the organization been proceeded with, and had these railways been transferred to the Canadian National Railway Company, the auditing would be carried out under this clause in the Act of last session; but in the present situation the Government railways, I take it, would be subject to the General Audit Act, and the accounts of those railways must now be kept under the terms of that Act; the accounts of the railways in the Canadian Northern system must be kept according to the system to which they have for a considerable time been accustomed.

At the end of last session the Minister of Railways gave some figures with regard to the amount of money that he expected would be required in connection with railway construction and improvements this year. Those figures were, I think, enough to give everybody who saw them cause for reflection. The minister stated that the loss on the Government railways for that fiscal year would amount to $28,000,000. That represented the loss on the Canadian Northern system, the Intercolonial, the Transcontinental, and the other roads. Then he went on to show that for equipment, for betterment, and for construction on these roads this year, a further sum amounting to about $52,500,000 would be required, making a total sum of $80,000,000 required for railway development at the present time.

In view of the condition of the finances of this country as they are to-day, with the heavy liabilities we have to meet, it is a very serious matter that we should have to face a loss of this kind. I do not think any honourable gentleman in this House was aware of those figures, because they were brought down only at the very end of last session; and I have quoted them here in order that we may be seized of the statement made by the Minister of Railways.

I do not intend to take up the time of the House any longer than to say that I think that this is a very important matter, and that we should know what the position is with regard to this question of the organization of the Canadian National Railway, and whether any steps have been taken to put this company in the way of being able

to operate these railways under the Act of last session.

Hon. Sir JAMES LOUGHEED: I hope to be able to answer the question of my honourable friend to-morrow.

Hon. Mr. POWER: Honourable gentlemen, perhaps, strictly speaking, even though the honourable gentleman has called attention to this matter, it might be held that after the leader of the House had given an answer there should be no further discussion. I do not think that is the general understanding; but I should like to make a few remarks after the leader of the House has spoken.

Hon. Sir JAMES LOUGHEED: I shall not have the answers to the questions until to-morrow.

Hon. Mr. POWER: Of course, in the form in which the honourable leader of the Opposition gave the notice, the whole matter can be discussed, and the present is perhaps a good time to say a few words about it.

Hon. Sir JAMES LOUGHEED: One would fancy that it would be desirable to get the information first. However, it may not be material to what my honourable friend has to say.

Hon. Mr. POWER: I feel that I am in a position to make certain statements, no matter what the information may be; and further, I think it well that the members of the House should understand just what the position is when the honourable gentleman brings down his answer, as it may be held then that it is too late to express any opinion. I am the more driven to that conclusion by reason of the fact that there is a rumour, I do not know how well founded that the Government are on the eve of concluding an arrangement under which they will take over the Grand Trunk railway and its belongings.

Experience in the United States has shown that government ownership and operation of railways is not a desirable thing. The results there have been greatly increased expenditure and lessened efficiency. We have had some experience in Canada, and the figures which the honourable gentleman beside me (Hon. Mr. Bostock) has referred to show that there has been a very heavy loss in connection with the operation of railways by the Government. I say by the Government because, as the honourable gentleman has pointed out, the Government and the corporation which was created last session are practically the same thing—they work together.

Hon. Mr. BOSTOCK.? I leave out of the question altogether the roads which were controlled by the Canadian Northern, and take those roads which were, strictly speaking, Government roads. The return which the honourable leader of the Government laid on the Table the other day shows that for the year ending the 31st of March last the deficit on the Government railways was $2,070,000—that is, on the Intercolonial and the road from Quebec to Winnipeg. Honourable gentlemen will bear in mind that last year, owing to war conditions, the number of men transported over the Government railways was enormously increased, and the quantity of freight which went to and fro between Halifax and St. John at the one end and Montreal or other western points at the other end was much increased; and we cannot expect to have as large a revenue when we get back to normal conditions.

If the Government take over the Grand Trunk railway, as it is said they purpose doing, they will have to meet, not only the cost of operation—and our experience in the Government operation of railways goes to show that there would be no profit on that, but probably a loss—but they will have to pay interest on the debt of the company. Further than that, the Government will have to pay the company large sums yearly. As far as one can gather, the company's claim is that they should be paid $4,500,000 a year by the Government. I understand that the Government have gone so far as to express their willingness to pay $3,500,000 a year. We have been dealing with such very large figures during war time that people look upon that as a very small thing; but when you come to add a deficit of over $2,000,000 to $3,500,000 you will have $5,500,000 a year which the country will have to pay.

Hon. Sir JAMES LOUGHEED: I am very sorry to interrupt my honourable friend, but do I understand that he seriously contemplates discussing the question of what is to be done by the Government as to the Grand Trunk railway? That, apparently, is what he is proposing to do.

Hon. Mr. POWER: No.

Hon. Sir JAMES LOUGHEED: My honourable friend is discussing that question now. I should like to know by what authority my honourable friend is discussing anticipated legislation. He will have a full opportunity to discuss it at another time.

Hon. Mr. POWER: I am not undertaking to say whether or not the Government are going to introduce such legislation, but I think it is possible they may; and, although my voice is a very humble one, I think that as a member of the Senate, I have a right to express my opinion on this action, even though it is only proposed. I think it would be a very extraordinary thing to say that the members of this House should never express any opinion of a government measure until that measure has been practically passed. I think it is desirable that the House should have an opportunity of expressing an opinion on a matter of great public importance at such a stage that it may be of some value.

Hon. Sir JAMES LOUGHEED: Would not it be desirable to put a motion on the Motion Paper? Is my honourable friend, out of a clear sky, going to discuss a question that is not before the House, and a question which honourable gentlemen have not in any way prepared themselves to discuss? I think my honourable friend opposite cannot complain that I have ever sought to place any restriction upon the freedom of debate; but to proceed under this question to discuss the acquiring of the Grand Trunk Railway system is rather imposing on the House.

Hon. Mr. POWER: We are discussing the action or non-action of the Government under the Act of last year. Under that Act the Government would have the right to take over the Grand Trunk railway; and I think I have a perfect right to express my opinion with respect to the desirability of that action.

Hon. Sir JAMES LOUGHEED: I raise the point of order that the matter is not debatable upon the inquiry on the Motion Paper.

The Hon. the SPEAKER: The point of order has been raised that this question is not debatable. I rule that the remarks of the honourable member for Halifax (Hon. Mr. Power) ought to be confined to the inquiry now before the House.

Hon. Mr. POWER: Under the circumstances, I suppose His Honour the Speaker will allow me to give notice of a motion for to-morrow or the day after.

The Hon. the SPEAKER: Before the Orders of the Day are called, you may give notice.

Now that the question has been put and discussed, if there is no motion for the adjournment of the debate the question is dropped.

Hon. Mr. BOSTOCK: I understand that the leader of the Government will answer the question to-morrow.

Hon. Sir JAMES LOUGHEED: I will answer to-morrow.

Hon. Mr. DANDURAND: Do I understand that this inquiry remains on the Motion Paper at the suggestion of the leader of the Government?

The Hon. the SPEAKER: If any honourable member of this House moves the adjournment of the debate the question may be discussed to-morrow; but if nobody moves the adjournment of the debate, my ruling is that the question drops.

Hon. Sir JAMES LOUGHEED: The whole trouble arose from my honourable friend who made the inquiry being premature in discussing it. He placed a question on the Motion Paper, and proceeded to discuss a very wide question in a very wide manner, notwithstanding that I had said that I was not prepared to answer it until to-morrow.

Hon. Mr. BELCOURT: If my honourable friend answers the question there will be no discussion. If any discussion is to take place, it must take place now.

Hon. Mr. TESSIER: I understand that no discussion is allowed on a question. I understood that His Honour the Speaker decided that there was no debate.

Hon. Sir JAMES LOUGHEED: Under the inquiry, framed as it is, there could not have been a debate, because my honourable friend simply made an inquiry which I could have answered had I the information. But, instead of waiting for the answer he proceeded to debate the question, and to attack the Government on its policy in reference to the Grand Trunk railway, although I had said that I would not be able to answer the question until to-morrow. My honourable friend does not say in the inquiry that he will direct attention to so and so.

Hon. Mr. BOSTOCK: Oh, yes; it says:

> Will call the attention of the Government to the Act.

Under the rules of the Senate a member is allowed to discuss the matter.

Hon. Sir JAMES LOUGHEED: Not by simply calling the attention of the Government to an Act. However, I am quite con-

tent that this inquiry should remain on the Order Paper until to-morrow.

The inquiry stands.

POSITION OF J. HARRY FLYNN.

INQUIRY.

Hon. Mr. TANNER inquired:

1. Is Harry Flynn the president of the organization commonly called "The War Gratuity League," in the service of the Government?
2. What position in the Government service does he hold? When was he appointed?
3. What is his salary since appointment?
4. Was he appointed by the Civil Service Commission?
5. By what persons, giving their addresses and occupations, was he recommended?
6. Does he receive, or will he receive, payment of salary during the time he is engaged in organizing gratuity leagues and addressing public meetings?
7. Is he a British subject?

Hon. Sir JAMES LOUGHEED:

1. No. Mr. J. Harry Flynn was employed by the Soldiers' Aid Commission of Ontario as an instructor at the Central Technical School, Toronto, in which position he was paid salary at the rate of $125 per month. It is understood that his engagement terminated with effect from October 4, 1919, to which date he was paid salary in full by the Soldiers' Aid Commission of Ontario.

2, 3, 4, 5 and 6. Answered by No. 1.

7. Information in regard to this matter is not available in the Department of Soldiers' Civil Re-establishment.

DOMINION LANDS BILL.

FIRST READING.

Bill 15, an Act to amend the Dominion Lands Act.—Hon. Sir James Lougheed.

CRIMINAL CODE AMENDMENT BILL (FIREARMS).

FIRST READING.

Bill 24, an Act to amend the Criminal Code.—Hon. Sir James Lougheed.

PATENTS OF INVENTION BILL.

FIRST READING.

Bill 25, an Act respecting Patents of Invention.—Hon. Sir James Lougheed.

CANADIAN TRADING CORPORATION.

QUESTION OF PRIVILEGE.

On the Orders of the Day:

Hon. FREDERIC NICHOLLS: Honourable gentlemen, by leave of the House, and as a question of privilege, I should like to draw the attention of the House to a special cable despatch to the Montreal Gazette, which is headed:

Finance Canadian Export Trade Through a Trading Corporation—This suggestion will be made to the Government by Lloyd Harris, who has sailed for this country.

The despatch reads:

London, Oct. 3.—Lloyd Harris, chairman of the Canadian Trade Mission in London, and John Younge, also a member of the Mission, are sailing for Canada. It is understood they will discuss a number of matters affecting Canadian export trade with the authorities at Ottawa.

It is well known that Lloyd Harris believes the future financing of the Canadian export trade should be done through a trading corporation rather than by the Government, and this will probably be one of the most important matters he will discuss with the Prime Minister.

Honourable gentlemen will remember that two years ago a special Committee on the Extension and Conservation of Canadian Trade after the War was appointed by this Chamber; that they met on several occasions; that they made a report to this House; that the whole matter was debated in this House; and that the report of the Committee was unanimously approved and forwarded to the Government. I may perhaps be permitted to refresh the memories of honourable gentlemen by reading the report of that Committee. It is dated Thursday, July 9, 1917, and reads as follows:

The Special Committee appointed to inquire into and report upon the best method or methods of conserving and increasing our domestic and overseas trade to the end that our present prosperity may not unduly suffer when the stimulus resulting from order for munitions and other war supplies is removed, beg leave to make their Second Report, as follows:—

Your Committee has had under consideration for its first objective the best means of meeting the needs of Canadian trade after the war, with particular reference to

1. Securing orders for overseas trade to replace in part the great volumes of orders that during the war have been received for war munitions and supplies.
2. The financing of large overseas contracts.

After due inquiry your Committee are of the opinion that the organization of a trade bank to be known as The Canadian Trade Corporation would best meet the object. In arriving at this conclusion due regard has been paid to the evidence submitted before a committee appointed by The British Board of Trade "to consider the best means of meeting the needs of British firms after the war." As a result of the report of the British Committee the Government of Great Britain has granted a Royal Charter to a trade bank known as The British Trade Corporation, having for its object amongst others the following:—

Then there are certain objects set forth in the report. The report concludes:

Your Committee have after inquiry ascertained that the chartered banks, or some of

them, and leading industrial and commercial companies and individuals are willing to favourably consider undertaking the organization and operation of a Canadian corporation somewhat similar to the British organizations, and having for its object the conservation and extension of Canadian trade after the war. Your Committee have taken into consideration that the British Trade Corporation, although not directly operated under the control of the British Government, was nevertheless organized directly at the instigation of that Government, which has accorded them certain privileges and extended to them a certain measure of assistance and official recognition.

Your Committee therefore recommend:—

1. That the Senate of Canada forward to The Right Honourable the Prime Minister, Sir Robert Borden, G.C.M.G., a copy of this Second Report of the Special Committee on the Conservation of Canadian Trade, with the request that due regard and consideration be given to the importance and advisability of aiding in such manner as may be deemed prudent and advisable the formation of a Canadian Trade and Banking Corporation which will meet the requirements set forth.

All which is respectfully submitted.

This recommendation, with the report of the committee, was duly laid before the Federal Cabinet, and, I assume, received a certain amount of consideration. The Government, however, in their wisdom decided that they would grant votes of $25,000,000, I think, to Roumania, a similar amount to Greece, and various amounts to other countries, making a total of $100,000,000 or more to be set aside for the purpose of financing the trade with these allied countries, to enable them to purchase Canadian goods. The committee, at the time they met and made this recommendation, were of the opinion that this method of doing business, which had already been discussed, would not be found satisfactory. I simply rise, on a question of privilege and by leave of this House, to point out that once more the Senate has made recommendations which have not been given a reasonable amount of consideration, but which, it appears, will after all have to be adopted by the Government in order to bring about the results which they have sought to attain by other means.

THE TREATY OF PEACE BILL.

THIRD READING.

Bill 3, an Act for carrying into effect the Treaty of Peace between His Majesty and certain other powers.—Hon. Sir James Lougheed.

NAVIGABLE WATERS PROTECTION BILL.

THIRD READING.

Bill 11, an Act to amend the Navigable Waters Protection Act.—Hon. Sir James Lougheed.

BOARD OF COMMERCE BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 12, an Act to amend the Board of Commerce Act. Hon. Mr. Daniel in the Chair.

On section 1—salaries of Chief Commissioner and other commissioners:

Hon. Mr. POWER: With respect to this first clause, this question occurs to me. As I understand, the Chief Commissioner is now a judge of the Supreme Court of Manitoba.

Hon. Sir JAMES LOUGHEED: No. He was a judge of the Supreme Court, but resigned some years ago, for the purpose, I think, of accepting the Commissionership of Public Utilities in the province of Manitoba; and I understand that he has since resigned from that position.

Hon. Mr. POWER: I was not objecting to the amount of the salary. The other commissioners are to have an annual salary of $8,000. One of the others is a member of the Civil Service who is receiving now quite a respectable salary, and what I wish to ask is whether this $8,000 is to be paid in addition to his present salary, or whether it is to cover everything.

Hon. Sir JAMES LOUGHEED: It is to cover everything. I understand that he has resigned from the other positions.

Hon. Mr. POWER: Well, he is a good man and he is worth the $8,000.

Hon. W. B. ROSS: I would like to ask the honourable leader of the Government whether in addition to their salaries these men are paid all their travelling and hotel expenses.

Hon. Sir JAMES LOUGHEED: I understand that the same rule would be applicable to them as would apply to, say, any judicial functionary, or any official of the Government, when away from his place of residence, he would be entitled to his travelling expenses and living expenses.

Hon. Mr. BOSTOCK: Their place of residence is not fixed under this Act. The only place of residence fixed is that of the secretary.

Hon. Sir JAMES LOUGHEED: I presume it would be Ottawa. Under the Act, the office of the board is at Ottawa; consequently I think that when the members are away from Ottawa they would be entitled to their expenses.

Hon. W. B. ROSS: Well, honourable gentlemen, I want to say, regarding these salaries, I think they are too high. These men are paid larger salaries than are paid to judges of the Superior Courts, and at a time when money seems to be pretty scarce in Canada and is very much needed. It does not seem to me to be quite proper to fix these salaries so high. I do not know what the views of other members of the House would be, but I think the salary of $10,000 should be reduced to $8,000, and the salaries of $8,000 reduced to $6,000.

Hon. Mr. BELCOURT: We have no authority here to touch them.

Hon. W. B. ROSS: We have perfect authority to do it.

Hon. Mr. BELCOURT: Salaries?

Hon. W. B. ROSS: Yes.

Hon. Mr. BELCOURT: Paid out of the Consolidated Revenue Fund?

Hon. W. B. ROSS: We cannot increase them, but we can decrease them if we choose to do so. I do not know what is the mind of the House on that point, but I just want to express my opinion publicly about it—that I think those salaries are too high.

Hon. Mr. BELCOURT: In view of the good they are going to accomplish?

Hon. G. D. ROBERTSON: It might not be improper to point out that the Chairman of the Board of Commerce receives from this Government $5,000 a year less than he was receiving from his previous employers, and that the third member of the Board of Commerce, recently appointed, is receiving exactly the same compensation as he was paid in the position that he has left.

Hon. Mr. BELCOURT: Mr. Murdoch?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. BELCOURT: What was his position?

Hon. Mr. ROBERTSON: Vice-President of the Brotherhood of Railroad Trainmen. As far as Mr. O'Connor's compensation is concerned, I am not just sure what the change is; but as to the other two members I do know that one is receiving the same compensation and the other a 50 per cent reduction.

Hon. W. B. ROSS: I doubt very much that that has anything to do with the question. The question is, for what salaries could you get three men as competent to discharge the duties of these offices as these men are?

Hon. ROBERT WATSON: I think that, in view of the positions which those men occupy, the salaries allowed are not too much, if they are to do their work properly. I believe that the Government make a great mistake in trying to get men at low salaries for important work such as that which these men are doing. Judge Robson is a western man. He has been in the West a number of years and has, I think, the confidence of all the people of the West. I doubt if there could have been a more popular appointment than that of Judge Robson to the position which he now occupies. He is a man who is above suspicion and who, I think, cannot be reproached by any person in trade matters. For a man of that description, occupying such a position as that of Chief Commissioner of the Board of Commerce, the salary proposed is not out of proportion with the responsibilities of the work. You hear it said occasionally, regarding an appointment made to a responsible position, that a man cannot be honest and work in such a position for a salary of $2,000 or $3,000 a year. I believe the Government ought to select the best available men and to pay them sufficient to put them above any suspicion of having to add anything to their salaries in order that they may obtain a good living.

Section 1 was agreed to.

On section 2—power of Governor in Council to determine above salaries repealed:

Hon. Mr. POWER: What is the clause that is repealed?

Hon. Sir JAMES LOUGHEED: That simply deals with the salaries of the commissioners, providing that they shall be fixed by the Governor in Council.

Section 2 was agreed to.

On section 3—who is to preside:

Hon. Mr. FOWLER: Supposing that the Chief Commissioner, who is a lawyer, were not present and he had named a commissioner who was not a lawyer, then you would have the opinion of a layman predominant on a point of law, when there was a lawyer on the board and present. This section says:

> The opinion of the Chief Commissioner or the presiding commisioner upon any question arising when such Chief or presiding Commissioner is presiding, which in the opinion of the commissioners is a question of law, shall prevail.

That is, if the Chief Commissioner cannot be present and he appoints a layman as presiding commissioner in his absence, and if a question of law comes up, the opinion of this presiding commissioner, who may be a layman, shall prevail over the opinion of the other commissioners, who may be lawyers.

Hon. Mr. BOYER: Why not? It may be as good.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BELCOURT: I asked my honourable friend (Hon. Sir James Lougheed) yesterday if, when the Bill was before the committee, he would not produce copies of the instructions issued by the Government to this board. I would like to have those, if my honourable friend can furnish them.

Hon. Sir JAMES LOUGHEED: I have not yet been able to get them up. I had intended doing so. I will make a memorandum of that and will see that they are produced before we dispose of the Bill.

Hon. Mr. FOWLER: What does the honourable leader of the Government say with regard to that point?

Hon. Sir JAMES LOUGHEED: I think it is a matter that we must leave to the Chief Commissioner. If it is a question of law, it seems to me that it would naturally occur to him that one of his colleagues who is a lawyer is the one that should be called upon to preside.

Hon. Mr. FOWLER: But he would not be there when the question of law arose. He could not anticipate, perhaps, that a question of law would arise.

Hon. Sir JAMES LOUGHEED: The question would have to stand until the Chief Commissioner dealt with it, I should think Of course, there might be this situation, that the other two commissioners might not be lawyers and the Chief Commissioner might be a lawyer. In fact, I am unaware of any provision in the Act whereby any commissioner must necessarily be a lawyer.

Hon. Mr. BOSTOCK: I think the Chief Commissioner under the Act has to be either a judge or a barrister of ten years standing.

Hon. Sir JAMES LOUGHEED: Yes, that is the case. I find that under subsection 2 of section 4.

Hon. Mr. FOWLER: Why not say the Chief Commissioner shall decide questions of law? I do not think the Act should say that a layman should decide a question of law, and that his decision should be final. His decision might be good, but it would be accidental.

Hon. Sir JAMES LOUGHEED: I understand that that is very frequently the rule adopted by courts in arriving at a decision on a question of law.

Section 3 was agreed to.

Sections 4 and 5 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

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

THE SENATE.

Thursday, October 9, 1919.

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

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS.

INQUIRY.

Hon. Mr. BOSTOCK called the attention of the Government to the Act 9-10 George V, Chapter 13, intituled, "An Act to incorporate Canadian National Railway Company and respecting Canadian National Railways," and inquired:

1. Has the organization of the Canadian National Railways been completed under the said Act?

2. Is the operation, further extension and construction of these railways being carried on under the powers conferred by the said Act?

Hon. Sir JAMES LOUGHEED:

1. No.

2. Yes, as to some of the lines authorized in so far as the said Act extended the time for construction.

BOARD OF COMMERCE BILL.

THIRD READING.

Bill 12, an Act to amend the Board of Commerce Act.—Hon. Sir James Lougheed.

PRIVATE BILL.

SECOND READING.

Bill 16, an Act respecting the North Empire Fire Insurance Company.—Hon. Mr. Turriff.

CANADA GRAIN BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 17, an Act to amend the Canada Grain Act.

He said: Honourable gentlemen, at the last session of Parliament an Act was passed amending the Grain Act, making provision that overages at terminal elevators should not exceed one-quarter of one per cent. A doubt has arisen as to the applicability of the Act, namely, as to whether it should be applied to last year's cereal crop or that of the present year. The minister who introduced the Bill had distinctly understood, apparently, that it should apply to the overages of the present year. This Bill is to make it clear, so that there may be no misunderstanding.

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

MILITIA BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 19, an Act to amend the Militia Act.

He said: Honourable gentlemen, the Militia Act makes provision for the appointment of certain officers, such as the General Officer Commanding, the Chief of the General Staff, the Master General of the Ordnance, the Adjutant General, the Quartermaster General, and so on. It is proposed to reduce the number of staff positions. That change in the militia has now practically been carried out. In the reorganization of the forces it is proposed that instead of there being two inspectors general, as there have been, there should be only one, and that he should be the officer commanding.

Hon. Mr. CASGRAIN: Is the effect of that to wipe out the position of General Lessard?

Hon. Sir JAMES LOUGHEED: No; he was superannuated some time ago, I understand. These changes involve no further expenditure. In fact, I understand, the reduction in staff will result in a decrease of expenditure.

Hon. Mr. BOYER: Then we have nothing to do with it.

Hon. Mr. BELCOURT: The Bill does not seem to provide for what my honourable friend (Hon. Sir James Lougheed) says. This deals with pay and allowances only, and is not for the purpose of reducing or increasing the staff.

Hon. Sir JAMES LOUGHEED: It repeals sections of the Militia Act which create offices such as I have mentioned. Then it provides:

> The pay and allowances of the officers of the general staff, headquarters staff and district staff, including officers seconded for duty in the public service of Canada, shall be fixed by the Governor in Council.

As I understand, those officers have been seconded for duty and will be brought under this amendment.

Hon. Mr. BELCOURT: But in the past the pay and allowances of officers were always fixed by the Governor in Council. That is provided for in the statute. I do not see why we are making this amendment at all. This deals merely with the pay and allowance of the officers, not with the number of officers, nor with the positions they hold, nor anything of that sort.

Hon. Sir JAMES LOUGHEED: It gives authority to the Governor in Council as expressed in the section. Let us assume that that authority is not on the statute book at present. Some authority is required for the fixing of their salaries.

Hon. Mr. BELCOURT: But there is authority under the statute now.

Hon. Mr. CASGRAIN: The authority was given in those sections which clause 1 repeals.

Hon. Sir JAMES LOUGHEED: We repeal those sections which deal with that phase of the subject, and we substitute section 37 as it now appears in the Bill. That is as I understand it.

Hon. Mr. BELCOURT: I quite realize that it will be necessary to repeal the sections under the authority of which the Master of the Ordnance, the Chief of Staff, etc., derive their functions. I quite see the necessity for that, but I do not see the necessity for saying that the pay and allowances shall be determined by the Governor in Council, because the pay and allowances of the officers who remain after you repeal those sections have been determined by Order in Council in the past, and the authority for that is in the statute.

Hon. Sir JAMES LOUGHEED: Well, I shall be very glad to look into this question, and when we go into Committee I shall have a full explanation on the subject.

Hon. HEWITT BOSTOCK: Honourable gentlemen, this Bill, as I understand, is a Bill for a certain reorganization of the militia.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: I hope that my honourable friend will be able to give us some information as to the present policy of the Government with regard to the militia. The whole organization of the militia was very much upset owing to the war. The policy adopted by the Government, when the war broke out, of ignoring the organization of the militia as it existed, has, I think, very seriously upset the whole organization. The policy that the Government intends to pursue in reorganizing the militia is a question of great importance to the country, and I think this would have been a good opportunity for the Government to give us some information regarding it. At present, as I understand, we have in addition to the militia the organization remaining of the battalions which composed the Canadian Expeditionary Force. The question is whether the Government are going to disband those battalions that were raised to form the Canadian Expeditionary Force, or whether they will continue them and will drop the whole militia organization as it existed at the beginning of the war. During last session we passed legislation providing for the increase of the permanent force and also the Royal Northwest Mounted Police. It does seem to me that for the purpose of maintaining law and order throughout the country the militia is not of much value; that a well organized force, properly officered and maintained, like the Royal Northwest Mounted Police, is a much better force for the Government to call upon. The whole question is a very important one and ought to be considered at the present time, because so long as we maintain two organizations there will be a greater expense to the country, and we ought to try to curtail expense in every possible way. From what little I know about the subject, it seems to me that much of the money which is now being spent on the militia might be spent to better advantage in the training of the younger generation, possibly by providing better training facilities in the schools throughout the country, so that boys, as they grow up, may be drilled and may learn to appreciate the necessity and value of discipline. Such training would also develop their muscles and would teach them the laws of health. The lessons that are learned by the young, between the ages of 18 and 21, or even before that period, last throughout the whole of their lives. Such a training would be of great advantage to the country and would bring a greater return than what is obtained from the money which we have been spending in the past on the militia. I do not purpose taking up much of the time of the House on this matter, but I am rather disappointed that we have not heard more from the Government as to what their policy is in regard to the organization of the militia.

Hon. GEORGE H. BRADBURY: Honourable gentlemen, I would like to ask the honourable leader of the Government if there is any intention to perpetuate in any way the C. E. F.—the men who organized battalions for overseas and who enabled this country to place itself in an exalted position before the world. If the raising of the forces to take part in this war had been left to the old militia of Canada, we would not have had 400,000, or 300,000, or 200,000 men overseas. Many of the men who did undertake to raise battalions spent their own good money, perhaps thousands of dollars. Are they to receive no recognition at all—not even mention? I do not know that any attempt is being made to perpetuate the C.E.F—the men who did the work. I have no quarrel with the militia, but it must be apparent to everybody that many trained officers, young and old, instead of hastening to the front or taking part in organizing battalions to cross the seas, secured good positions at Ottawa and all over Canada. Some of the men who are to-day occupying the highest positions in the militia, and who when the war started were trained men, did not go overseas or did not raise battalions to go overseas. That was left to be done by civilians, men who, like myself, were not soldiers. It does seem to me strange that there should be no recognition given or no attempt made on the part of the Government to recognize the men who have made sacrifices overseas and men who have raised battalions.

Hon. RAOUL DANDURAND: Honourable gentlemen, I am in sympathy with the honourable member from Selkirk (Hon. Mr. Bradbury), who has stated that some recognition should be given to men who have been on the other side. If it is possible to give such recognition while reorganizing our militia in such a way as to help this country to meet its obligations, I have no objection. We have won the war, but we have still to win peace. As we all know, European countries which were deeply engaged in the war realize that they cannot save themselves from bankruptcy unless they reduce their military and naval establishments to the utmost limit. Not only must we reduce our military and naval establish-

ments, but we must retrench in every department. I have made in this House the statement, which no one can controvert, that we shall need to impose taxes upon the people of this country to the tune of $200,000,000 a year, in addition to what they are now paying. Shall we be able to do that? If we are not able to do it without showing a state of inferiority to the status of the United States, this country will suffer. If, as Sir Thomas White stated yesterday in his evidence before the Re-Establishment Committee of the Commons, we are sailing close to the wind—as we all know we are—should we not adopt the alternative of retrenchment? While it is quite refreshing to hear my honourable friend (Hon. Sir James Lougheed) state that this little Bill will not increase the expenditure, but will, on the contrary, reduce it, yet we must expect the pruning knife to be inserted more deeply than in this case; it should be applied radically. I am convinced that if the X-rays were turned in every nook and corner of this country as they seem to have been applied to the Printing Bureau, we could reduce our expenditure by $50,000,000 or $100,000,000 a year. When we are asking the people for supplementary taxation amounting to $200,000,000, we must justify our action by retrenchment.

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

WHEAT CROP GUARANTEE BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 20, an Act to continue in force the powers of the Board of Grain Supervisors of Canada so that it may conclude its business, and to continue in force a guarantee given by the Governor in Council with respect to the 1918 wheat crop.

He said: Honourable gentlemen, in pursuance of certain legislation which we passed at former sessions, the Board of Grain Supervisors of Canada entered upon certain duties. Those duties they have not yet concluded. The purpose of the Bill is to extend the time for the continuance and conclusion of the unfinished business which they have in hand.

Hon. HEWITT BOSTOCK: Would the honourable leader of the Government be able to give us information about those Orders in Council when we go into Committee?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND.

Hon. Mr. BOSTOCK: They extend over two or three years. It is rather hard to find them.

Hon. Sir JAMES LOUGHEED: Which Orders in Council—the ones referred to in the Bill?

Hon. Mr. BOSTOCK: In the first clause of the Bill.

Hon. Sir JAMES LOUGHEED: Yes.

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

EASTCOTT DIVORCE PETITION.

CONCURRENCE IN COMMITTEE'S REPORT.

Hon. W. B. ROSS moved:

That the Third Report of the Standing Committee on Divorce, to whom was referred the petition of Arthur LeRoy Eastcott, together with the evidence taken before the said committee be concurred in.

Hon. A. B. CROSBY: Honourable gentlemen, I asked on Tuesday last that the consideration of this report be deferred, and the Chairman of the Committee on Divorce very kindly consented to allow it to stand until to-day. The printed evidence has just been distributed. This is a very important matter, and there is a danger of our passing a divorce without giving it much consideration. The reason for that, I suppose, is that we have an excellent committee who deal with divorce petitions. I must say they give them very careful attention. I cannot speak too highly of the manner in which the honourable gentlemen composing that committee perform their duties. Nevertheless this is, I think, a case in which it would be well for every honourable member to read the evidence before voting. I would therefore ask the chairman of the committee if he would be good enough to let this matter stand until Tuesday next. To-morrow would suit me just as well, but there are a number of members who may be leaving to-morrow for the week-end, and in order that the matter may be considered by a full House, it ought to be deferred till Tuesday. I think it would be only fair to the House for the chairman of the committee to agree to that postponement, in order that honourable gentlemen may have an opportunity of reading the evidence.

Hon. Mr. CASGRAIN: May I join with my honourable friend from Halifax in asking that this order be allowed to stand, because the evidence has been distributed only to-day and I have not had time to look at it. I am told that this is a very doubt-

ful case. There are points in connection with this which ought to be examined very carefully. I would like to see it put over until next Tuesday if possible.

Hon. Mr. POWER: I am not taking up any position with regard to the passing of this measure, but I wish to direct the attention of the House to the fact that if this report is put off until next week, that means that the Bill is killed.

Hon. Mr. CASGRAIN: Not necessarily.

Hon. W. B. ROSS: Honourable gentlemen, the Divorce Committee, having reported back to the House, are now done with this matter, and it is for the House to deal with it; but it is perfectly regular for me to say on behalf of the committee that we were unanimous in our report. There was no dissenting vote. As you will see, the evidence is somewhat lengthy, but it would not take very long to read it over. To put this matter over till next Tuesday would result in killing the Bill, and it might do an injustice to the petitioner. Even if there was a little doubt about the petitioner's case, the committee who heard it considered that before making their report.

On the question being put:

Hon. Mr. CASGRAIN: Yeas and nays.

Some Hon. SENATORS: No, no.

Hon. Mr. CASGRAIN: I will not insist on that, I do not want to cause the House trouble; but I really think this report should be put over. I am given to understand that there is grave doubt on several questions connected with the case—I may be misinformed—and I have been asked to read over the evidence; but I have just received it.

Hon. Mr. CROSBY: If we concur in this report, and then, upon reading the evidence, find good reason for defeating the Bill, can we do so?

Hon. Mr. DANDURAND: The honourable gentleman can divide the House on the Bill when it comes before us. A Bill can always be voted against on its second or third reading.

The report was concurred in, on division.

HUDSON BAY ROUTE.

REPORT OF SPECIAL COMMITTEE.

Hon. Mr. CASGRAIN (for Hon. Mr. Fowler) moved:

That the report of the Special Committee appointed to inquire into the navigability and fishery resources of Hudson bay and strait be concurred in.

Hon. Mr. POWER: Honourable gentlemen, as I understand it, this report recommends that the committee be made permanent, and be authorized to sit during the recess of Parliament, to examine witnesses, hear opinions, and to go on ad infinitum. This committee sat during last session and did a great deal of work of more or less value; it has sat again this session, and there is nothing new to be found out about the Hudson bay and strait. We are just where we were thirty years ago. I do not see why the time of Parliament should be taken up, and public money expended in further inquiry which is absolutely useless and unnecessary.

Hon. Mr. CASGRAIN: The report speaks for itself. Some members of the committee know of people in the Hudson bay region who, upon their return, may be able to give some valuable evidence. I do not see any harm in concurring in the report. It is not the intention of the members of the committee to come from their homes and sit here while Parliament is not sitting. The object the Committee have in view is to save money instead of spending it.

Hon. Mr. FOWLER: I did not know that this notice was on the Order Paper for today, and I regret that I was not in the House when it came up. I do not know what objection there can be to the report.

Hon. Mr. DANDURAND: If the honourable gentleman will permit me, I will state the objection formulated by the honourable gentleman from Halifax, unless that honourable gentleman wishes to do so for himself. The objection of the honourable gentleman from Halifax is that the action proposed by the committee involves an unnecessary expenditure of money during the recess.

Hon. Mr. FOWLER: Economy is always commendable, particularly at the present time. I can assure the honourable gentleman from Halifax that if this report is concurred in, the additional expense will be, comparatively speaking, nothing. The expense of this committee has been and will be small when compared with the importance of the work that has been done. When we get to our final report, I think the Senate will be satisfied that the committee has done very valuable work for the country. Our only desire is to bring in a report that will be intelligible and that will have some good effect. There has been a great deal of evidence taken, about 250 pages, and about twenty-five or thirty pages more will be added to that. We do not anticipate

taking very much evidence, but we wish to compile a small compendium, consisting of twenty-five or thirty pages, which will give the whole gist of the evidence. I think it will be in the best interest of the country to permit the committee to pursue the course which they have mapped out for themselves in this matter.

The report was concurred in.

DIVORCE BILL.

FIRST READING.

Bill C, an Act for the relief of Arthur Le Roy Eastcott.—Hon. Mr. Blain.

NORTHWEST MOUNTED POLICE BILL.

FIRST READING.

Bill 22, an Act to amend the Royal Northwest Mounted Police Act.—Hon. Sir James Lougheed.

GRAND TRUNK PACIFIC BILL.

FIRST READING.

Bill 23, an Act to amend an Act to confirm two Orders of the Governor General in Council respecting the Grand Trunk Pacific Railway system.—Hon. Sir James Lougheed.

ADJOURNMENT OF THE SENATE.

Hon. Sir JAMES LOUGHEED: Monday, I understand, will be observed as a Parliamentary holiday. Several honourable gentlemen have spoken to me about the desirability of adjourning, say, until Tuesday; and, in view of the small amount of public business before the Senate, I submit the question to the House, and would venture the opinion that the public business would not suffer seriously by such an adjournment.

Hon. Mr. POWER: Three o'clock on Tuesday.

Hon. Mr. BOYER: In view of the fact that Monday is the last Thanksgiving Day before the proclamation of prohibition, and that some of us may be getting up on Tuesday with sore heads—because we have taken too much water—would the honourable gentleman consider meeting at 8 o'clock instead of at 3. Then we will all turn up with a smile.

Hon. Mr. WATSON: Don't forget the smile.

Hon. Sir JAMES LOUGHEED: Does my honourable friend expect to be in a position to come here then?

Hon. Mr. FOWLER.

Hon. Mr. BOYER: I will pair with my honourable friend.

The Senate adjourned until Tuesday, the 14th of October, at 8 p.m.

THE SENATE.

Tuesday, October 14, 1919.

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

Prayers and routine proceedings.

ILLICIT DISTILLERY OPERATIONS.

INQUIRY.

Hon. Mr. WILSON inquired of the Government:

How many cases of illicit distillery operation have been discovered for each province for the years beginning; the 1st April, 1916, to the 1st April, 1917; the 1st April, 1917, to the 1st April, 1918; the 1st April, 1918, to the 1st April, 1919; and from the 1st April, 1919, to the present date?

2. How many illicit stills have been seized in the same period of time, year by year, and for each province?

Hon. Sir JAMES LOUGHEED:

1.

	1916-17	1917-18	1918-19	From April 1, 1919, to date.
Ontario	..	..	50	129
Quebec	13	12	37	24
New Brunswick	..	..	1	3
Nova Scotia	..	1	6	17
Prince Ed. Is.	..	..	..	2
Manitoba	..	..	29	49
Alberta	..	..	35	83
Saskatchewan	..	1	15	47
British Columbia	..	..	18	70
Totals	13	14	191	424

2.

Ontario	..	..	24	85
Quebec	10	10	34	19
New Brunswick	..	..	..	3
Nova Scotia	..	1	3	13
Prince Ed. Is.	..	..	..	2
Manitoba	..	..	29	42
Alberta	..	..	31	47
Saskatchewan	..	1	14	44
British Columbia	..	..	14	61
Totals	10	12	149	316

SUPERANNUATION OF GOVERNMENT RAILWAY EMPLOYEES.

INQUIRY.

Hon. Mr. DENNIS inquired of the Government:

1. What is the total number of employees of the Intercolonial and Prince Edward Island Railways who have been granted superannuation under the provisions of Chap. 22, 6-7 Edward VII, Intercolonial and Prince Edward Island Railways Employees Provident Fund Act, 1907, and amending Acts?
2. How many employees are participating in this Pension Fund at the present time?
3. What is the average pension paid to employees?

Hon. Sir JAMES LOUGHEED:

1. 1,213.
2. 743.
3. $32.50 per month.

DOMINION LANDS BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 15, an Act to amend The Dominion Lands Act.

He said: The object of this Bill is to embody in legislation certain provisions passed under the War Measures Act, in favour of returned soldiers. It has chiefly to do with giving priority of entry to returned soldiers. The amendments do not make any radical departure from the existing Act, except in so far as they gave recognition to prior rights of returned soldiers, as indicated.

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

CRIMINAL CODE AMENDMENT BILL—FIREARMS.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 24, an Act to amend the Criminal Code.

He said: This, honourable gentlemen, is to prohibit the carrying of firearms by aliens except under permit issued by properly constituted authority.

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

PATENTS OF INVENTION BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 25, an Act respecting Patents of Invention.

He said: Under the War Measures Act certain Orders in Council were passed having relation to the rights of persons in enemy countries who may have patents in Canada, and the object of the Bill is to give authority to the minister to extend in certain cases the time for doing any act as prescribed under the Patents Act; also to waive any requirements which may be provided for in the statute, within a prescribed period.

Hon. F. L. BEIQUE: Honourable gentlemen, I think I am in accord with the Bill, and I would ask the honourable leader of the Government if section 3 should not be amended. The rights of persons who manufacture the article patented after the patent lapses are protected, inasmuch as such persons are relieved of the obligation of paying royalty to the patentee; but the Commissioner of Patents is to determine whether those manufacturers are to be allowed to continue to manufacture, and if so, on what terms. I suggest that those manufacturers have an acquired right. After the patent has lapsed, it becomes public property, and it seems to me that it would be a hardship to them for the Commissioner of Patents to have the right to prevent them from continuing to manufacture. I think it would be interfering with acquired rights.

Hon. Sir JAMES LOUGHEED: I have only looked over the Bill superficially, but my impression is that section 3 makes provision for the saving of any rights that may have been acquired during the interregnum.

Hon. Mr. BEIQUE: But it is left to the judgment of the Commissioner of Patents, whereas it is an absolute right which has been acquired.

Hon. Sir JAMES LOUGHEED: I shall be very glad to have the attention of the department directed to that before we go into committee.

Hon. Mr. DANDURAND: Do I understand that this Bill covers only the cases of parties who have failed to meet the requirements or to fulfil their obligations under the Act?

Hon. Sir JAMES LOUGHEED: Certain rights were suspended during the war in pursuance of Orders in Council passed under the War Measures Act, and this is to overcome the interruption which took place by reason of the war. As to precisely what its bearing is, I cannot say at the moment. When we go into committee we can consider that.

Hon. Mr. DANDURAND: I am inclined to think that there has been a consensus

of opinion in the Senate during recent years in favour of giving this right to the commissioner in all cases where there has been a failure, and that this has justified the bringing in of a Bill. The opinion has often been expressed that the commissioner should have the right to extend the time, or to accept the money of the patentee, when for some good reason he has failed to pay the fee. Every year applications are made to Parliament for relief in cases in which the fees have not been paid in time, and these applications have usually been granted on the representation that the delay was not due to the applicant himself, but to his agent. I think a majority of this House at all events have felt that this matter could well be left to the commissioner to deal with.

Hon. Mr. DAVID: I think proper to say, in support of the views expressed by the honourable gentleman from De Lorimier (Hon. Mr. Dandurand), that two years ago, before the committee, Mr. O'Halloran, the chief officer of the Patent Department, admitted that the law should be amended as suggested by the honourable member.

Hon. Sir JAMES LOUGHEED: That is the object of the Bill.

Hon. Mr. DANDURAND: But only in so far as the patentee has been unable to fulfil his obligations, "by reason of active service or enforced absence from the country, or any other circumstances arising from a state of war, which in the opinion of the minister would justify such extension." I have not read the whole Bill, but it strikes me, from the explanation of the honourable gentleman, and from clause A, that the Bill does not empower the commissioner generally to extend the time where there is a justifiable reason given for the extension.

Hon. Mr. BOSTOCK: I do not see in this Act any limitation of time for which it shall be applicable. As I take it, it is meant to apply to cases which occurred between the 4th of August, 1914, and the signing of peace; but there is no provision in the Act for its termination.

Hon. Sir LOUGHEED: The Patent Act would prescribe that.

Hon. Mr. BOSTOCK: That would not deal with the cases that have occurred owing to the patentee, being at the front or in some other way being unable to attend to his patent.

Hon. Sir JAMES LOUGHEED: But should the patent have lapsed in the interregnum through non-compliance with the provisions of the statute, it would permit of a revival of the patent; but I apprehend it would not extend the patent beyond the period fixed for the life of the patent. Is that what my honourable friend refers to?

Hon. Mr. BOSTOCK: Yes.

Hon. Sir JAMES LOUGHEED: I do not think it is intended to cover that.

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

CANADA GRAIN BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 17, an Act to amend the Canada Grain Act, Hon. Mr. McMeans in the Chair.

On section 1—operation of provisions respecting the disposal of surplus grain postponed, etc.:

Hon. Mr. WATSON: Will the honourable gentleman explain?

Hon. Sir JAMES LOUGHEED: As I explained on the second reading of the Bill, this is to make it quite clear that the Act is only applicable after the cereal year ending the 31st of August, 1919.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

MILITIA BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 19, an Act to amend the Militia Act, Hon. Mr. McSweeney in the Chair.

On section 1—sections relating to rank and pay, etc., repealed:

Hon. Mr. BOSTOCK: Will my honourable friend explain exactly what changes we are making in the old Act?

Hon. Sir JAMES LOUGHEED: It is proposed to do away with certain staff officers and to reorganize the staff, thus effecting a reduction in expenditure. It is proposed to dispense with the Chief of Staff, the General Officer Commanding, the Master of Ordnance, and the two Inspectors General.

Hon. Mr. DANIEL: I think it does more than that, because in the Act the salaries of those officers are mentioned, while the Bill puts the remuneration entirely in the hands of the Governor in Council.

Hon. Sir JAMES LOUGHEED: There is this peculiarity about the Militia Act, that there is a statutory provision fixing salaries for certain officers; then, in section 37 of the Act, it is provided:

> The pay and allowances of the officers of the General Staff, and Headquarters Staff, and District Staff, not provided for by this Act, shall be fixed by the Governor in Council.

The salaries of those not specifically named are fixed by Order in Council. It is provided in the Bill that the Governor in Council shall fix all the salaries.

Hon. Mr. BOSTOCK: I do not exactly understand that we are doing away with the General Officer Commanding. There still will be a General Officer Commanding the Militia.

Hon. Sir JAMES LOUGHEED: No. The office of Inspector General will practically supersede that of Chief of Staff and also General Officer Commanding.

Hon. Mr. BOSTOCK: We are not repealing the first part of section 29 of the Act, which reads:

> There may be appointed an officer called the General Officer Commanding, who shall hold rank not below that of Colonel in the Militia or in His Majesty's regular army.

Hon. Sir JAMES LOUGHEED: That would authorize the appointment of such an officer, although it is not contemplated.

Hon. Mr. BOSTOCK: So we are not doing away with the General Officer Commanding. We are only changing the law so that he will not necessarily be of the rank of Major General.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BOSTOCK: And we are keeping the Inspector General.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANIEL: I think it is very awkward to have the militia of Canada without a head. That is what this means, and that has practically been the position of the militia all through the war. I tried time and again to find out who commanded the militia, but was unsuccessful. Under this enactment we shall still have the militia without any commanding officer; there will be nobody responsible. Of course, I presume the Minister of Militia has good reasons for this, but I do not think it has ever been explained to the people why the military forces of Canada should be without a head. At the present time no one can put his hand on any individual officer and say, "There is the commanding officer of the militia."

Hon. Sir JAMES LOUGHEED: I think my honourable friend is labouring under a delusion. General Currie has been appointed Inspector General for the whole of Canada, and will absorb all the duties of the Chief of the General Staff. He is now preparing a report for the reorganization of the militia, which, I presume, will require legislation at an early date—not during the present session, but in all probability during the next session of Parliament. My honourable friend can very well appreciate that the disturbance which took place during the war has given rise to investigation; and I have no doubt that the knowledge and experience which our forces gained on the other side will afford ample opportunity to prepare a scheme for the reorganization of the militia in Canada that will appeal very strongly to the people.

Hon. Mr. DANIEL: Why is the officer to be called Inspector General instead of General Officer Commanding?

Hon. Mr. CASGRAIN: I understand that General Currie has not yet been appointed. I presume that is because this legislation is necessary before that can be done?

Hon. Sir JAMES LOUGHEED: Not necessarily. The office of Inspector General did exist—there were two Inspectors General. I understand that those two offices have been practically fused into one, and that General Currie has been appointed to the office of Inspector General.

Hon. Mr. CASGRAIN: We passed a Bill this year by which we are to have 5,000 regular troops in Canada—at the time I suggested that we should make that number 10,000. Will this Inspector General be also the commander of the permanent force, or will he be commander only of the volunteers, the militia, those who go to camp and play at soldiering, but many of whom, as we know, did not during the war offer their services. I do not speak of honorary colonels—they are not supposed to fight.

Hon. Sir JAMES LOUGHEED: What my honourable friend terms the permanent force is part of the militia of Canada.

Hon. Mr. BOSTOCK: Can my honourable friend say whether any consideration has been given to the question of pay and allowances? Will they be increased?

Hon. Sir JAMES LOUGHEED: I understand they will be substantially increased, but I cannot give any definite information at the moment.

Hon. Mr. DANDURAND: My only objection to the Bill is that certain salaries which previously were paid under statutory enactment will now be fixed by Order in Council. That is an appropriation by the executive of the powers of Parliament—a policy which I think runs counter to democratic institutions.

Hon. Sir JAMES LOUGHEED: The fixing of salaries by statute is so rigid as not to permit of adjusting conditions to the circumstances which may arise; but my honourable friend will readily appreciate that notwithstanding that the salaries must necessarily be voted by Parliament; consequently, if Parliament is dissatisfied with the salaries fixed, it has its remedy in refusing to vote the supplies.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

WHEAT CROP GUARANTEE BILL.

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 20, an Act to continue in force the powers of the Board of Grain Supervisors of Canada so that it may conclude its business, and continue in force a guarantee given by the Governor in Council with respect to the 1918 wheat crop. Hon. Mr. Murphy in the Chair.

On section 1—powers of board continued so that it may conclude its business:

Hon. Mr. BOSTOCK: I asked my honourable friend if he would let us see the Orders in Council that are mentioned in this clause. I think we should know something about what they refer to. I presume they give certain powers to the board.

Hon. Sir JAMES LOUGHEED: The authority of the board expired apparently on the 15th of August. It is necessary to wind up the business of the board, and the object is to continue their powers until they wind up the business on which they have entered. It gives no new powers.

Hon. Mr. DANDURAND: Are those Orders in Council printed?

Hon. Sir JAMES LOUGHEED: I could not tell my honourable friend. I will make inquiries to-morrow and will bring them down before the third reading of the Bill.

Hon. Mr. BOSTOCK: We seem to be rather carrying this on without knowing exactly what we are doing, before we have had an opportunity of looking at these Orders in Council.

Hon. Sir JAMES LOUGHEED: As my honourable friend will observe, the legislation is simply to permit the board to conclude its business. It in no sense gives the board additional powers, nor does it authorize the exercise of the powers vested in it except in so far as those powers are exercisible in the conclusion of the business upon which it had entered. However, if my honourable friend desires it, I will have the Committee rise and report progress.

Hon. Mr. BOSTOCK: I think that should be done.

Progress was reported.

EASTCOTT DIVORCE BILL.

SECOND READING.

Hon. Mr. BRADBURY (for Hon. Mr. Blain) moved the second reading of Bill C, an Act for the relief of Arthur LeRoy Eastcott.

Hon. A. B. CROSBY: Honourable gentlemen, I asked that the report of the committee should be held over in order that members of the House might have an opportunity of reading the evidence in this case. That having been done, and I having read the evidence myself, I am confirmed in the opinion that I was right in asking for postponement in order that members might become familiar with the case.

I do not intend to discuss the evidence in detail, but I want to state clearly and distinctly that the petitioner alleges here an act that there is no evidence to prove. I have examined very carefully the evidence of both the petitioner and the respondent. The petitioner does not give a single bit of evidence to prove his case except to state that his wife made an admission to him; and she absolutely denies that.

There is some suggestion or impression that I oppose the granting of this divorce simply because of my religion. That is not the case. Like every other member of this House, I am sworn to carry out my duties here, and I intend to do that conscientiously and to the best of my judgment. I do

think, honourable gentlemen, that we should be exceedingly careful with cases of this kind. If we granted a divorce in every case in which, by some mischance, somebody happened to kiss another man's wife, we should soon have a queer state of affairs in this country; and as in this case there is no evidence of anything further than that, I do not think the divorce should be granted.

I want to say for the Committee on Divorce that I have been present at the hearings on many occasions, and have read the evidence in nearly every case, and I believe we have as efficient a committee as we could possibly have. But there are times when even the very best of men go astray;—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CROSBY:—and, as I have to deal with the man in this case, I want to say that he may be one of those men. There is hardly ever a case in which the woman goes astray; but if a woman does happen to go astray, the whole world seems to be down on her. It frequently happens that men go through this world as they please, and misbehave here, there and everywhere, and yet everybody seems to think they have a perfect right to do what they like, where they please and when they please; but the poor, unfortunate woman, who happens to do something that people think she should not do, is down and out forever.

Honourable gentlemen, if you have read the evidence in this case, you are familiar with the fact that every gentleman this woman met was a personal, intimate friend of her husband's.

Hon. Mr. CASGRAIN: That is generally the way.

Hon. Mr. CROSBY: I hope my honourable friend has had no experience. In this case Mr. Harrison was a bosom friend of the petitioner. Mr. Harrison died, and the petitioner had to get another friend. He got him and brought him to his home, and they had a good time every night playing cards together. And this friend went so far, the evidence indicates, as to say to the wife of the petitioner: "Here is $30 of my winnings." He put the $30 on the mantelpiece, and the husband was so delighted that he added $10 more. He contributed only $10 while the other man contributed three times as much, and he said, "Buy a $40 present for yourself." Evidently, a little later on, as he was going down to the cellar—where he belonged and should have stayed—he discovered this man in the kitchen kissing his wife.

Hon. Mr. CASGRAIN: For $30?

Hon. Mr. CROSBY: He finds Cockburn kissing his wife. He does not complain about it—does not say a word about it. He does not say to his wife, "You did wrong," or, "That is a thing you should not do; although that is a particular friend of mine, I do not want you to go that far with him." The man himself intimates that he did not indicate to her that he was displeased with it. It would never have happened again; and there is no evidence that it did happen again except once.

As I have said, the wife in her evidence absolutely denies the offence on which the husband bases his petition. On the other hand, after he has had detectives watching this little woman for about two or three months, after getting a telephone and every facility he possibly can to try and catch her doing wrong, he cannot catch her. He has some of his friends try to see if in some way they can get the evidence which he desires to get. He fails to get that evidence. And after he has come to the conclusion that his wife has done wrong, his friend Cockburn comes and says to him: "Why, my dear friend, you don't think I am a snake in the grass? I am a good, decent fellow. You wouldn't think I would do anything wrong?" The petitioner says that up to March 15 he was very uneasy and very much excited about the situation, but on March 15, he says, he felt relieved—why? Because Cockburn has spoken to him. A little later on Eastcott gets some idea—although he does not get any more evidence—and he comes to the conclusion that he must get rid of his wife. After coming to the conclusion he pretends to take a trip down to Ottawa. He boards the train, but slides off at the other side and goes back home, in order to watch his wife. He watches her for two or three hours. It happens that Mr. Cockburn is there. He sees nothing more than an ordinary kiss.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CROSBY: My honourable friends have read the evidence. Some of them may consider it an extraordinary kiss. I consider it only an ordinary kiss, because it did not excite this man to any extent; he did not worry about it; he looked on for two hours at his own wife and this particular friend, whom he had brought into the bosom of his family. He stayed watching them and did not interrupt them until about

a quarter past eleven. Then he went in and had a chat with them. Afterwards he went down to Ottawa on the 1.48 train. He stayed at Ottawa until the next day, and came back on Tuesday, met his wife, and went into the library with her and talked with her. He was always talking with her: I do not know whether he acted the same as Mr. Cockburn would do—whether he kissed her or not. But there is evidence that he did kiss her afterwards. He talked to his wife, and that night retired with her. He retired with her also on Wednesday night, and Thursday night and Friday night, and his mother-in-law could hardly get them out of bed on Saturday morning in time to catch the train, they were so locked up with one another, in one another's arms. He could hardly get up in time to catch the train. He does not deny that in any manner.

He says that she confessed to him the very act on which he bases his petition. He states also that in the letters which she wrote to him from Winnipeg she intimated what he founds his petition on. But I ask any honourable gentleman who has read that letter, which is in the evidence, if he can see in it any other indication than that she is very repentant. My honourable friend says to read it; but there are many things I do not want to read. I think I am getting along fairly well, and I do not want to read the evidence or to detain the House, because you have all read the evidence. I would direct your attention to that letter, and I do not think you will find in it a single indication except that she is genuinely asking to come back to that husband who at some time loved her and whom she still loves. She desires to come back, as she can be happy only with him. There is no indication of any kind that while she remains in Winnipeg she is mixing up with anybody. And there is no evidence that she ever did mix up with anybody but the men who were railroaded into his own home and were his particular, close and bosom friends.

But somebody says: "Oh, well, he denies certain things." That is in the evidence. What he does not deny is that he was in bed with her those four nights. And if you want better evidence than that, you will find that down at the station he put his arms around her neck and kissed her, and the train nearly went out without her, on that account. If somebody—her mother-in-law or somebody else—had not come along and put her on the train, he would have held her and she would not have gone on that train. Every legal gentleman knows that that condones any offence that she may have been so indiscreet as to commit.

Therefore, honourable gentlemen, if you want to deal with this case fairly, honestly and conscientiously, I do not see how you can grant this divorce at this time, on the evidence that we have before us. Of course, legal minds differ so much that it is sometimes hard to get at a legal decision, but as an ordinary layman I have always understood that certain things have to be clearly and definitely proved before the Senate of Canada grants a divorce, and I say that on this occasion these things have not been proved, and, according to the evidence—and it is from the evidence I am speaking—there is no reason in the world why this divorce should be granted. As I have said before, the petitioner bases his allegation on what his wife told him, and his wife distinctly and definitely swears that it is not true that she ever told him anything of the kind.

All the allegations he makes against this woman lead up to a certain point, and the last evidence that we have shows him making up with his wife—sleeping with his wife and continuing to sleep with her for four nights just before she went away, and the struggle there was to get them separated in order that she might go on the train. All this shows me clearly and distinctly that this Senate has before it no evidence which would warrant the granting of this divorce. That is my reason for taking the position which I take to-day. I say that of all the important matters that are dealt with in any country there are none more important to the interests of the country than the protection of the home. The sanctity of the home is the great basis of national welfare. We must preserve the home at all costs, and we in this Senate must be very careful to see when granting a divorce, that there is every evidence to warrant it and nothing whatever wanting to make sure that the divorce ought to be granted. In this case the evidence is circumstantial. Remember, as I have already said—and you will pardon me for repeating it so often—the petition is based on the alleged confession of the wife. If a murder has been committed and some one is charged with the crime, there must be a chain of evidence sufficient to convict him. If a person had been robbed of $1,000, you might form a chain of evi-

dence to show that some one has stolen it, because you knew the theft had been committed. Or a man has broken into a store and committed burglary and you may arrest somebody and by a chain of circumstantial evidence have him convicted. But in this case nothing has been lost so far as we know, and so far as the evidence shows. Why should we convict anybody on circumstantial evidence when nothing has been taken away from anybody, and the evidence does not show that anything has been lost?

That is how the evidence appears to me, honourable gentlemen, and I feel certain that that is how it must appear to everybody who has read the evidence.

There is another point in connection with this case. There has been a little canvassing going on, and I think that is very unfair. There have been some men who have been good enough to say, "Well, this man is a very decent, fine sort of man, and it is too bad not to grant him a divorce." I think that is very unfair and very unreasonable. While I have always felt I would like to endorse the committee of this House when it brings in a unanimous report, as seems to have been done in this case, yet it seems to me that, as this committee has been dealing with a great many divorce cases and this was to be a short session, it perhaps wanted to make short work of them.

Hon. Mr. BRADBURY: Does the honourable gentleman suggest that the members of the committee were canvassed?

Hon. Mr. CROSBY: I did not. But I did say that I thought there was some canvassing going on in connection with this case, in the Senate. I may not be right, and I hope I am not right, in that. But I do say this, that the Senate should deal with this case according to the evidence that we have before us, and in my judgment the evidence gives no fair and reasonable warrant for the granting of a divorce to Mr. Eastcott.

Hon. Mr. CASGRAIN: Does the honourable gentleman move that?

Hon. Mr. CROSBY: I move, seconded by Senator Shatford, that this Bill be not now read a second time, but that it be read a second time this day six months.

The proposed amendment of Hon. Mr. Crosby was negatived on the following division:

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Hon. Mr. CASGRAIN: I call attention to the fact that the honourable gentleman from Tignish (Hon. Mr. Murphy) is in his seat, and has not voted.

Hon. Mr. MURPHY: The same thing has happened on several occasions, and it has never been taken advantage of. I ask to be excused for conscientious reasons.

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

ROYAL CANADIAN MOUNTED POLICE BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 22, an Act to amend the Royal Northwest Mounted Police Act.

He said: Honourable gentlemen, this Bill makes provision for the amalgamation of the Royal Northwest Mounted Police and the Dominion Police. It proposes that the body shall become a Dominion body. The headquarters of the force, in all probability, will be moved to the capital, but provision is made that that may be determined by the Governor in Council.

Provision is also made in the Bill to absorb those members of the Dominion Police who may desire to become part of the new organization; so no injustice will be done to any members of the present Dominion Police Force.

Provision is also made whereby members of the Dominion Police who serve five years or more may take advantage of the pension system under the Royal Northwest Mounted Police Act.

I think honourable gentlemen will concur in the statement which I make that it

is in the public interest that there should be an amalgamation of these two bodies. Broadly speaking, they are charged with the same duties—that is to say, with enforcing federal laws throughout the whole Dominion. It is thought that the amalgamation of the two bodies will render more effective the services of both and will result in greater efficiency than if the two bodies carry on their work separately, as in the past.

Hon. Mr. POWER: Under which minister will the force come?

Hon. Sir JAMES LOUGHEED: There is no provision in the present Bill as to that. At present the Mounted Police are under the President of the Privy Council and the Dominion Police are under the Department of Justice. At the present moment I cannot say authoritatively what department they will come under in the future.

Hon. Mr. BRADBURY: Did I understand the honourable gentleman to say that the Dominion Police would come under the Northwest Mounted Police Pension Act?

Hon. Sir JAMES LOUGHEED: I said that provision is made whereby members of the Dominion Police who serve more than five years may take advantage of the pension provisions of the Northwest Mounted Police Act.

Hon. Mr. BRADBURY: That would apply to the older members. In the reorganization of the Dominion Police it is likely that a number of the older men will retire. Would they participate?

Hon. Sir JAMES LOUGHEED: Yes, if they serve more than five years.

Hon. Mr. BRADBURY: Would their pension cover all the time they have served?

Hon. Sir JAMES LOUGHEED: I cannot give all the details.

Hon. Mr. BRADBURY: I am making that inquiry because I have been asked to do so.

Hon. Sir JAMES LOUGHEED: When we go into Committee on the Bill I shall be able to give further information.

Hon. Mr. BOSTOCK: I understood the honourable gentleman to say that the Commissioner of Police would be moved to Ottawa; but I do not understand that the large body of the force will be moved East, because a great deal of their work is confined to the West.

The question has already been asked as to what minister they will be under. In my opinion the working out of this new system, which I think the Government is to be commended for bringing into effect, would be more satisfactory if the Royal Canadian Mounted Police were under the President of the Council, rather than under the Department of Justice. I understand that up to the present time a large part of the work of the Dominion Police has been done by officials of other departments. I understand that heretofore officials of the Immigration Department have done a great amount of the Dominion Police work at different times; but I suppose that under this arrangement that will be changed to some extent.

Hon. Sir JAMES LOUGHEED: I omitted to say that the large body of the police will probably be kept west of Lake Superior, and will, to a great extent, if not altogether, perform the duties to which they have been accustomed. The whole body will not necessarily be mounted. There will of course be a mounted section of the police, such as that which at the present time is engaged in western work. There will be but the one force, and the work at present being performed by the Dominion Police will go on uninterruptedly.

Hon. Mr. CASGRAIN: I suppose if they were really needed in the East, in case of riots or anything of that kind, they would be available.

Hon. Sir JAMES LOUGHEED: Yes, it will be a mobile force.

Hon. Mr. BRADBURY: I do not suppose they will adopt the uniform of the Northwest Mounted Police.

Hon. Sir JAMES LOUGHEED: No, not necessarily.

Hon. Mr. BRADBURY: I hope that this new force will be made one of the best police bodies in Canada; furthermore, it ought to be one of the best military bodies in the country, much along the lines of the old Irish Constabulary, which was recognized to be the best body of its kind in the three kingdoms. For some time back I have noticed that the Dominion Police have not been up to the standard that we are entitled to expect. It should be a first-class body of trained men, and I trust that this reorganization will have that result.

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

GRAND TRUNK PACIFIC BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 23, an Act to amend an Act to confirm two Orders of the Governor General in Council respecting the Grand Trunk Pacific Railway system.

He said: Honourable gentlemen, last session we passed certain legislation dealing with the elevator system of the Grand Trunk Pacific Railway Company. At that time Parliament omitted the word "terminal" in the Act to which I have referred. This Bill is to correct that error, and to insert the word "terminal" where it belongs.

Hon. Mr. ROCHE: As the Grand Trunk arrangement is now the order of the day in the other House, would it not be well to defer all legislation of this kind until the whole question is under consideration? We are now dealing with the question piecemeal, and it seems to me that it would be well to defer this matter until the main proposal is brought before us.

Hon. Mr. CASGRAIN: Would the honourable the leader of the Government tell us what these two Orders in Council are? Have they to do with the appointment of a receiver?

Hon. Sir JAMES LOUGHEED: Oh, no. This Bill simply has to do with terminal elevators. The word "terminal" was left out of the Act. It will not cost the country anything to put it in.

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

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

THE SENATE.

Wednesday, October 15, 1919.

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

Prayers and routine proceedings.

THE ROYAL ASSENT.

The Hon. the SPEAKER read a communication from the Governor General's Secretary, announcing that the Right Honourable the Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, would attend in the Senate Chamber this afternoon at 4.30, for the purpose of giving the Royal Assent to certain Bills.

THE GOVERNMENT'S RAILWAY POLICY.

INQUIRY AND DISCUSSION.

Hon. L. G. POWER rose in accordance with the following notice:

That he will call attention to the defective character of the Government's policy with respect to existing railways, and will inquire if the Government proposes to improve such character.

He said: Honourable gentlemen, I think it is desirable at this point to say just a word as to practice. In this House we have a practice which is borrowed from the House of Lords, under which the rule respecting questions is modified. Our rule provides that if a member wishes that a question shall be discussed he may give notice that he will call attention to the matter and will make certain inquiries. That practice has been in operation now for forty years.

I regret, honourable gentlemen, that I do not feel up to the point that one ought to be at in dealing with a matter so important as the general railway business of the country. I am proposing to deal, not merely with any one particular aspect of the matter, but with the whole scheme of government railways.

I do not think it necessary to point out that experience has proved that government ownership and operation of railways is not a desirable thing. That has been the experience in England; it has been the experience in the United States, where the Government are handing the railways back to the companies that formerly owned them; and it has been our experience in Canada. The experience has been not only that the expenditure in connection with the railways has been very largely increased, but that the efficiency of the railways has been very much diminished. I am not going to go over all the railways now known as government railways; but if one takes the original Intercolonial railway, which has been in operation now for forty odd years, and which runs through what is, on the whole, a fairly well peopled country, he will find that the deficit for the year ending the 31st of March last was about $2,000,000—and there does not seem to be very much prospect of any reduction.

We gather from the newspapers and the reports of proceedings in another place that the Government have in contemplation the taking over of the Grand Trunk Railway. If the Government do that they will not

only have to meet the cost of operation and to pay interest on the debt of the company, but they will also have to pay the company a large yearly sum.

I do not quote, but honourable gentlemen who look at the debates of another place will find that the minister who had charge of the matter said that the latest terms made between Mr. Smithers and the Government were substantially the same as those which had been laid down by the Minister of the Interior in a letter dated last July; and, as I understand, the minister practically admitted that there would be a charge of between $3,000,000 and $4,000,000 a year.

We naturally ask, honourable gentlemen, when we are called upon to make an expenditure of that kind, what are we getting for it? What I wish to call the attention of this House to is the fact that we really are not going to get anything that we have not already got. As it is now, the Grand Trunk Railway Company operates the roads which belong to the old Grand Trunk Company, and the country practically has to pay nothing. During the year closed a few weeks ago there was really on the working of the road a small surplus, of about $1,000,000, I think. That, of course, is a surplus which, if the road were run by the Government, would disappear; and the Government would be paying in the neighbourhood of $4,000,000 a year for nothing whatever. That is a point that I think ought to sink into the minds of honourable gentlemen here: you are going to get nothing that you have not already got. Why we should pay $3,000,000 or $4,000,000 a year for that is something that I really cannot understand. It strikes me, honourable gentlemen, that it would practically mean that the Government would be paying a lot of money to purchase a deficit.

I notice that the newspapers and gentlemen in public positions are asking for an alternative to the government scheme. They say the government scheme may not be good, but what can we get in exchange for it? I think, honourable gentlemen, the wiser course and the fairer course would be to relieve the Grand Trunk Company of all liabilities arising out of the construction of the Grand Trunk Pacific, and to allow the Grand Trunk Company to revert to the position which it occupied before the contract made in 1903. If that were done the Grand Trunk people feel—and I think there is not much doubt about it—that they could carry on, that they could maintain the old Grand Trunk system without any permanent aid from the Government.

Hon. Mr. POWER.

Hon. Mr. McMEANS: Could the honourable gentleman tell us what that would amount to?

Hon. Mr. POWER: I am glad the honourable gentleman has asked the question, because it enables one to bring forward another view of the matter. If the proposed scheme is adopted, the country will take over all the expense of operating both the Grand Trunk Pacific and the Grand Trunk systems. Now, the whole deficit, practically, is on the Grand Trunk Pacific system; and, whether we release the old Grand Trunk or do not do so, it makes no difference in the amount the Government have to pay. The Government have to meet the expenses of the two systems, and my idea is that you can get rid of the responsibility for the deficit on the old Grand Trunk system, and you will then have the same deficit that you would have had if the original government scheme had been carried out.

I am not undertaking to deal with the matter of law, honourable gentlemen, because as a matter of technical law there is no doubt that the Grand Trunk Company are in a pretty tight place and are liable for several millions on account of the construction of the Grand Trunk Pacific. But if we look at the history of the matter I think we shall see that at any rate there is a sort of equitable view which may be taken and which will put it in a different light. The Grand Trunk Railway Company were anxious to get access to the prairie country, and they proposed, as I understand, to build from North Bay to the prairie. The Government of the day felt that that arrangement would not be satisfactory to the country at large, and that the railway, instead of stopping at North Bay, should run on eastward to Quebec. That gives, of course, a very much larger back country, so to say, to Canada than it would have had under the other scheme. The company yielded to the pressure from the Government and agreed to the Quebec addition. Of course, that involved a very considerable expenditure. Then, when the Bill to incorporate the Grand Trunk Pacific Railway Company was going through the House of Commons, an amendment was made to it at the instance of the Government, adding on the line from the Quebec bridge to Moncton. That was something that the company strongly objected to, but they were to a certain extent in the hands of the Government and they yielded and accepted it.

Another thing that the company would not naturally have expected was that large

subsidies were given to a company which competed in the prairie country with the Grand Trunk Pacific. My own feeling is that if the Grand Trunk Company had known when the negotiations began, or before they began, what the upshot was going to be and what was to be the burden that would be laid upon them, they would not have entered upon the contract. I think that, inasmuch as the Government of the day were responsible for these great additions to the cost of the undertaking, they should be quite willing to pay for these additions and let the company out, and I am satisfied, as I said a while ago, that if the company are relieved from their liabilities on account of the Grand Trunk Pacific they will be able to carry on without Government help.

Honourable gentlemen, I am not going to discuss the various features of this proposed scheme, or the various objections to it; but, as a member from the province of Nova Scotia, I desire to call attention to one fact which apparently has been lost sight of by the Government and by most of the members of both Houses, and that is that if the Government take over the Grand Trunk railway and make it part of the government system, then Portland will become the winter port of Canada.

Hon. Mr. CROSBY: No.

Hon. Mr. POWER: We know that a great many millions of money have been spent in an attempt to make St. John and Halifax the winter ports; but, if this proposed contract goes through, then Portland will become the winter port of, at any rate, all Canada west of Montreal. If honourable gentlemen will just look at the figures they will see that that is a thing that must happen. The distance from Montreal to Portland by the Grand Trunk railway is 297 miles. The distance from Montreal to Halifax by the Intercolonial is 841 miles; that is, about 550 miles farther. By the Intercolonial to St. John the distance is 741 miles, that is, 400 and odd miles farther. Then, by the Canadian Pacific railway from Montreal to Halifax the distance is 755 miles, and to St. John it is 580 miles. So at the best, if we take the Canadian Pacific with its 580 miles, that is, double the length of the Grand Trunk from Montreal to Portland. Honourable gentlemen, I think, that when the people of the Maritime Provinces get to understand the position thoroughly they will find it difficult to approve of the proposed agreement.

I shall not say anything more about this particular transaction, but I should like to say a few words on the government management of what is now called the Canadian Government railway, but what was in old times the Intercolonial railway. One point which I think is deserving of notice is that nowadays this road is managed from Toronto instead of Ottawa. It would strike one that the government railways ought to be managed from the seat of government and not from another city 400 miles away. One of the effects of this change, which has made itself felt already, is that if one has any business now in connection with the Intercolonial he perhaps writes to Ottawa, and, although it may be a matter that requires an early answer, the officials in the department here at Ottawa are in no position to give an answer until they have consulted the management in Toronto. The management in Toronto, I fancy, is practically the management of the old Mackenzie and Mann roads. Of course, honourable gentlemen, if the Grand Trunk railway is taken over, the fact that the management is in Toronto will be still more objectionable than at the present time. That is one thing with respect to the management of the Intercolonial.

Another point is this, that the time-table for the lines east of Montreal is not reliable. The time-table says that you shall leave Halifax at 20 minutes to 8 and you are due in Montreal the next morning at about 9 o'clock; that is, on the fast train. As a matter of fact, I think the train rarely makes connection. The truth is that the service on the Intercolonial to-day is rather worse than it was 40 years ago. Mind, I do not blame the minister for this, because he has to be guided by what his subordinates tell him. The excuse given for this failure to make connection is that the Ocean Limited has to stop too often—that it is more like an ordinary passenger train than a fast express. Well, honourable gentlemen, I do not think that is a good excuse. If it is found impracticable to make the connection at Montreal, or at Halifax in the case of the eastbound train, then the right thing is for the board of management of the Intercolonial to alter the time-table, so that people will not be misled and find themselves landed in Montreal for several hours, say on their way to Ottawa. The right thing, I think, is to make the time-table to correspond with the time actually made by the train.

Then, as to the province of Nova Scotia, I think we have reason to complain. The road from Prince Rupert on the Pacific ocean to Moncton in the province of New Brunswick is supposed to have no grade

above ⅛oths of 1 per cent. Between Moncton and Truro there are grades as high as 1½ per cent. Honourable gentlemen, I do not need to enlarge on the effect of that. On the road west of Moncton an engine can draw, say, 50 cars. The same engine on the road between Moncton and Truro cannot draw 25 cars. That is a very important matter. If things continue as they are, when the St. Lawrence is closed and the canals are frozen over, Halifax and St. John should be the ports for shipping to and fro across the Atlantic.

I may say that when troops had to be transported and speed and safety were of great importance, Halifax loomed quite large; but at other times Halifax does not; and I think that the Government should take steps to give fair play to the province of Nova Scotia.

I do not wish to be understood as finding any fault with the arrangement in New Brunswick; I am simply stating the facts: the people at St. John have the Canadian Pacific short line, they have the Intercolonial railway, and now they have the St. John Valley railway connecting with the Transcontinental. In Halifax we have nothing but the old Intercolonial, which has been there for 50 years and has not been improved during all that time, and we have the steep grades.

Two things, I think, are absolutely necessary: the elimination of the excessive grades east and south of Moncton, and the double tracking of that portion of the old Intercolonial. I know it is stated—and it is, I believe, partially true—that a single track is able to cope with the traffic. As proof of that, attention is called to the fact that there was so much traffic over the road, in the way of both passengers and freight, during the war and immediately afterwards. Well, there is a good deal of force in the lesson of that experience. But special arrangements were made with respect to the troop-trains. Pains were taken to have the road cleared and the way made open to them. The experience of general traffic on the Intercolonial does not harmonize with the experience of the troop trains. The road from Halifax to Moncton dates back to 1872. It is the best paying part of the whole Intercolonial, and is therefore, I think entitled to consideration. Crossings on a single track often involve considerable delay. There is no gentleman here, who has travelled over the Intercolonial, who has not been rather annoyed at the train being kept waiting anywhere from five minutes to half an hour to cross another train. That delay is of course avoided in the case of a double track.

Then there is another thing: the elimination of the high grades would more than double the hauling capacity of the engines. A double track would lessen the congestion and increase the speed. There is no reason at all why it should take more than 24 hours to come from Halifax to Montreal.

I have mentioned Halifax two or three times, but I do not think the people there are unreasonable. The Government are putting in long sidings at some places—one near Truro. Long sidings are good, but they do not shorten the journey for the whole distance. If the Government, instead of putting in long sidings now, had double-tracked the road from the neighbourhood of Moncton to Amherst, say, it would have benefited all the traffic to and from the province of Nova Scotia. I hope that the Minister of Railways, whom I believe to be anxious to do his best for the Intercolonial, will see his way clear to double-tracking at any rate that part of the road next season.

I conclude with the question.

Hon. Sir. JAMES LOUGHEED: Honourable gentlemen, I have to congratulate my honourable friend upon the ingenious character of the question which he has submitted:

> That he will call attention to the defective character of the Government's policy with respect to existing railways, and will inquire if the Government proposes to improve such character.

It reminds me very much of a sharp cross-examining counsel who on one occasion was cross-examining a clergyman who was noted for his deep piety. He submitted to the clergyman this question: "Do you still beat your wife?" If he answered yes, he admitted the charge; and if he answered no, he likewise admitted it. My honourable friend has submitted to me a somewhat similar question. Notwithstanding the insidious invitation which he has given me to discuss the Grand Trunk Pacific, and the acquirement of the Grand Trunk, and the double-tracking of the Intercolonial, and other railway problems of that character, I do not propose to enter upon any discussion of those subjects, particularly in view of the fact that next week we expect to have before us a very important railway problem which will call for all our ability to discuss it fully.

CANADIAN WHEAT BOARD BILL.

FIRST READING.

Bill 21, an Act respecting the Canadian Wheat Board.—Hon. Sir James Lougheed.

OLEOMARGARINE BILL.

FIRST READING.

Bill 28, an Act to permit the temporary importation, manufacture, and sale of Oleomargarine in Canada.—Hon. Sir. James Lougheed.

CANADA GRAIN BILL.

THIRD READING.

Bill 17, an Act to amend the Canada Grain Act.—Hon. Sir James Lougheed.

MILITIA BILL.

THIRD READING.

Bill 19, an Act to amend the Militia Act. —Hon. Sir James Lougheed.

DIVORCE BILL.

THIRD READING.

Bill C, an Act for the relief of Arthur LeRoy Eastcott.—Hon. Mr. Blain.

PUBLIC PRINTING.

STATEMENT OF CHAIRMAN OF EDITORIAL COMMITTEE.

Hon. Mr. DANIEL moved concurrence in the second report of the Standing Committee on Internal Economy and Contingent Accounts of the Senate.

Hon. WILLIAM DENNIS: Honourable gentlemen, in connection with this motion I should like to read a letter which I have received from the Chairman of the Editorial Committee which was established for the purpose of economizing in the public printing. This letter, which bears some relation to the report brought in by the Chairman of the Standing Committee on Internal Economy and Contingent Accounts, reads as follows:

The Editorial Committee has noticed with great interest the recommendation of the Standing Committee on Internal Economy and Contingent Accounts which appears on p. 96 of the Minutes of yesterday's proceedings of the Senate.

This is quite in line with the policy which the Editorial Committee adopted when it was established two years ago, and has been carried out by the Distribution Branch of this department ever since. The only trouble is that many members of Parliament pay little or no attention to the circulars which the Distribution Office sends them.

We are now engaged in printing the blue-books for the fiscal year ending 31st March last. To arrive at an approximate estimate of the number of copies of reports required by Parliament and the country generally we carefully go over the mailing list cutting off duplications—and there have been many in the past. Then, judging from the demand of last year, if there be a surplus stock, we make a reduction in the side of edition, allowing a fair margin for future requirements.

Since the Editorial Committee commenced its labours we have reduced the number of printed volumes by several hundred thousand copies. The bulky Sessional Papers, which have gone as high in one year as 32 volumes, will for the past year be only 10, while the actual number of sets printed and bound has been reduced from 750 to 200 English, and 350 to 75 French. On binding alone, with this reduction in the number of volumes, and the great cut in the number of sets, the saving is a most substantial one. Notwithstanding these economies there has not been a single complaint.

Adverting again to the report of the Internal Economy Committee may I mention that after conversation with Hon. Mr. Power and yourself in the closing days of last session upon the subject dealt with in the committee's report, I requested the Chief Clerk of Distribution to send out a notification to each senator and member before prorogation. This was done. For the information of the Senate I attach a copy of circular forwarded to every senator and member of Parliament. And what do you think is the result? There were 92 members of the Senate last session, and requests for the annual reports were received from only 20. There were but two senators who asked for all Government publications. The others vary from one to a dozen.

That is the reason there has been so much waste in the printing in previous years.

Out of 230 members of the Commons last session only 60 replied. Not one member of the Lower House asked for all the reports.

With these figures before us it is gratifying to note the sentence in the report of the Internal Economy Committee that "it shall be his duty (the duty of each senator and officer of the Senate) to return to the proper office such list so marked as to show the reports with which he wishes to be supplied." If this recommendation be faithfully carried out it will be very helpful to the Editorial Committee, and will materially assist us in revising from year to year our estimates of the number of copies of annual reports which we should order to be printed.

Sincerely yours,

(Sgd) Fred Cook,
Chairman.

I desire to have this letter appear in Hansard, Mr. Speaker, for the information of the House, as it will materially assist the committee in bringing about still greater economy.

The motion was agreed to.

DOMINION LANDS BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 15,

an Act to amend the Dominion Lands Act. Hon. Mr. Thompson in the Chair.

Section 1 was agreed to.

On section 2—time may be extended for perfecting entry:

Hon. Mr. BOSTOCK: What is the alteration made by section 2? Is it placing in the hands of the minister a further discretion than he has at the present time?

Hon. Sir JAMES LOUGHEED: The exception is:

Except in the case of any person who has served with any of the naval, military or air forces of His Majesty.

The old Act made no provision for that class of entrant.

Hon. Mr. BOSTOCK: Section 22 referred to in this section deals with a volunteer on active service. It provides for the erecting of a residence of a volunteer on active service. That means that he must have gone onto his land before he went on active service?

Hon. Sir JAMES LOUGHEED: I should think so.

Hon. Mr. BOSTOCK: There is no provision by which an entry is back dated?

Hon. Sir JAMES LOUGHEED: No; it is for the time lost after he had made his entry.

Hon. Mr. BOSTOCK: He makes his entry before he goes on active service.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. FOWLER: The section does not provide for that; he might not have made his entry until after the service was over.

Hon. Sir JAMES LOUGHEED: Subsection 1 of section 13, provides that he shall be allowed six months to perfect his entry, and if that is not done it is subject to cancellation. Then subsection 22 makes special provision for a volunteer on active service. It provides that he may resume his residence upon his homestead, and that the time which he has spent on active service may be counted as residence within the meaning of the Act. Now this section comes in and apparently amends both:

Except in the case of any person who has served with any of the naval, military, or air forces of His Majesty or of any of His Majesty's Allies as specified in section 22 of this Act, when the period of protection may be extended at the discretion of the minister.

That would mean that the protection afforded would be as to the perfecting of the entries during the six months. That is to say once he had made his entry he might go forth on active service, and in that way be prevented from perfecting his title within six months. The minister can then grant a further period for perfecting his entry.

Hon. Mr. FOWLER: When the section of an Act is amended, I think that the section that it is proposed to amend should be put on the other side of the sheet.

Hon. Sir JAMES LOUGHEED: I quite agree with my honourable friend. For years I have struggled to get that done, and I think some day the Senate will have to take very positive steps and refuse to deal with a Bill until that is done or, I would be very glad in deed if any honourable gentleman would move a resolution whereby we might have a joint committee of both Houses who would decide on some form of Bill that would be more intelligible than the form we have before us.

Hon. Mr. BELCOURT: I am very glad to hear my honourable friend express himself in this way, for I myself have for years suggested it. If my honourable friend has not been able to accomplish this, I think some one ought to move; and if nobody else will do it I shall be glad to do it myself. It is impossible to follow a discussion of this kind intelligently.

Hon. Mr. FOWLER: And there are not enough copies of the statutes to go round.

Hon. Sir JAMES LOUGHEED: If some one will move for a joint committee, I will support it.

Section 3 was agreed to.

On section 4—application to court by alien entrant, etc.:

Hon. Mr. FOWLER: What does paragraph e say?

Hon. Sir JAMES LOUGHEED: It provides that he shall be a British subject.

Hon. Mr. BELCOURT: How did the department proceed in the past before issuing a certificate of entry? By affidavit?

Hon. Sir JAMES LOUGHEED: Yes, by affidavit before officers of the department. Invariably, I think, the report of the homestead inspector was made and then the applicant made his application for a patent to the agent of the Dominion Lands based on certain affidavits. The matter was then, I think, transmitted to Ottawa, and the recommendation duly issued.

Hon. Mr. BELCOURT: The real purpose of this amendment is to enable the matter to be gone into more thoroughly—is that the idea?

Hon. Sir JAMES LOUGHEED: Yes. For instance, under section 16 of the old Act, the applicant had to be a British subject. Now we have increased the difficulty, so to speak, of obtaining naturalization, and he may make application before a judge showing that he has the qualifications necessary under the Naturalization Act.

Hon. Mr. FOWLER: Why should an alien be permitted to take out a patent? Why should he not become a British subject?

Hon. Sir JAMES LOUGHEED: He must become a British subject, as I read it. He may not have secured his naturalization papers at the time, but he has to show that he has all the qualifications permitting him to secure his naturalization.

Hon. Mr. FOWLER: Why not compel him to secure his naturalization before giving him a patent? If he has all of the qualifications, why does he not get his naturalization before he gets the patent? It will wait for him.

Hon. Sir JAMES LOUGHEED: My reading of it is this. He need not be a British subject when he makes his entry, as it is not necessary; but he should proceed, if called upon at any time to protect his entry, to show that he has the qualifications necessary to become a British subject. He does not get his patent until he becomes a British subject.

Hon. Mr. FOWLER: I think so.

Hon. Mr. BELCOURT: No, nor until he establishes to the satisfaction of the judge that he is a fit and proper person to receive a patent. That is the object of this amendment.

Hon. Mr. FOWLER: Exactly; but he might have all the qualifications and yet never take out his naturalization.

Hon. Mr. BELCOURT: But one of the qualifications is that he must be a British subject. If my honourable friend will read the next following paragraph he will see that his question is answered: " The entrant shall establish qualifications similar to those required under the provisions of The Naturalization Act, 1919."

Hon. Mr. FOWLER: That is where I do not understand it. That just proves how necessary it is to have the Act made clear.

Hon. Sir JAMES LOUGHEED: May I further point out to my honourable friend that under paragraph B of subsection 4 of section 8 of the Act there is a provision which " forbids the issue of a certificate of naturalization before the expiration of a certain period after the termination of the war to any subject of a country which at the time of the passing of the Act was at war with His Majesty." That would prevent him from getting his naturalization papers.

Hon. Mr. FOWLER: That applies, though, only to nations that were at war with us.

Hon. Sir JAMES LOUGHEED: This provision applies to an entrant of any such nation.

Hon. Mr. FOWLER: Yes, but why should it not apply to all aliens?

Hon. Sir JAMES LOUGHEED: The others take out their naturalization papers. But here is a man who by a specific provision of the Act is prevented from becoming naturalized, and yet is at the same time qualified as an entrant for the land. Therefore the statute says that if he establishes before a judge that he possesses all the qualifications under the Naturalization Act he may be entitled to his patent.

Hon. Mr. FOWLER: That is, he may be entitled to his patent, and will get his patent though he does not take out naturalization papers?

Hon. Sir JAMES LOUGHEED: But he cannot take out naturalization papers on account of that provision in the Act, if it is enforced, namely, that forbidding the issue of a certificate of naturalization before the expiration of a certain period after the termination of the war to any subject of a country which at the time of the passing of the said Act was at war with His Majesty.

Hon. Mr. FOWLER: Then you grant the patent without his taking out naturalization?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. FOWLER: Because, if it were not for that section, he would be able to take it out?

Hon. Sir JAMES LOUGHEED: Yes. His right to naturalization has been postponed by statute, and yet at the same time he has to make application for his patent, otherwise his land may be cancelled, and he may be in the peculiar position of not being

able to get a patent to his land, and at the same time not able to get his naturalization papers.

Hon. Mr. FOWLER: To give him his patent.

Hon. Sir JAMES LOUGHEED: Upon his establishing that he can qualify as a naturalized British subject.

Hon. Mr. FOWLER: Although he does not qualify?

Hon. Sir JAMES LOUGHEED: Well, although he qualifies in fact, he cannot get his certificate.

Hon. Mr. FOWLER: Exactly. Then this is simply a device to give an alien entrant whose nation has been at war with us a patent before he can be naturalized.

Hon. Mr. McMEANS: That is it.

Hon. Mr. FOWLER: That is what it is. I do not know why we should be so tender towards these people.

Hon. Sir JAMES LOUGHEED: A good deal may be said about that. I shall be very glad to make further inquiry.

Hon. Mr. FOWLER: I think that ought to stand.

Hon. Sir JAMES LOUGHEED: I am satisfied that that clause should stand pending our getting further information upon it. But I can see the difficulty which has arisen in the first place. As I have said, he must make out an application for his patent within a particular time. He would possess all the qualifications for naturalization papers or certificates, were it not for the statute which says, "Because your nation is at war with our nation, you are not entitled to naturalization." At the same time, his entry is subject to cancellation.

Hon. Mr. McMEANS: Is it subject to cancellation if he has performed his homestead duties?

Hon. Sir JAMES LOUGHEED: Yes, I think he has to apply for his patent.

Hon. Mr. McMEANS: No, not necessarily.

Hon. Mr. FOWLER: He can apply.

Hon. Mr. BELCOURT: What is the period after the termination of the war that is prescribed in which the naturalization papers may not be issued?

Hon. Sir JAMES LOUGHEED: I think that is fixed by Order in Council.

My honourable friend from Winnipeg (Hon. Mr. McMeans) stated that he thought it was not necessary to make the application. My honourable friend will find under subsection 3 that it is apparently necessary that the application should be made for the patent.

Hon. Mr. McMEANS: It is, under this Act.

Hon. Sir JAMES LOUGHEED: Yes:

If any alien entrant, who has resided in Canada for five years, fails to apply for a decision of the court within sixty days after the agent of Dominion Lands has notified him—

Hon. Mr. FOWLER: Which subsections are you going to allow to stand?

Hon. Sir JAMES LOUGHEED: I will let all those subsections stand that have to do with subsection 2.

Hon. Mr. FOWLER: They are all interwoven.

The Hon. the CHAIRMAN: Does subsection 4 stand?

Hon. Sir JAMES LOUGHEED: Subsections 2, 3 and 4 stand.

Hon. Mr. WATSON: Honourable gentlemen, while we must be very particular about restricting aliens if they have shown any signs of being enemies of Canada, yet I think it is the duty of legislators to try if possible to facilitate these foreigners becoming good citizens and getting their patents as quickly as possible. I think it is the business of the legislature to afford as much facility as possible to any good immigrant in the country whose intentions are all right, although he may have come from an enemy country, and who has shown no signs of hostility. I think obstacles should not be put in the way of such immigrants becoming good citizens as quickly as possible if they comply with all the regulations.

Hon. Mr. FOWLER: A great many of them did show signs of hostility.

Hon. Mr. BELCOURT: Quite apart from the question of extending sympathy to aliens from enemy countries, there may be another reason for subsection 2 of section 4.

The Hon. the CHAIRMAN: That stands.

Hon. Mr. BELCOURT: I know, but we are discussing these subsections:

The entrant shall establish qualifications similar to those required under the provisions of The Naturalization Act, 1919, chapter thirty-eight of the Statutes of 1919, and amendments thereto and regulations made thereunder, save paragraph B of subsection four of section eight of the said Act which forbids the issue of a certificate of naturalization before the expiration of a certain period after the termination of the war to any subject of a country which

at the time of the passing of the said Act was at war with His Majesty.

If you look back to the Naturalization Act you will find that that subsection provides:

(B) No certificate of naturalization shall, before the expiration of a period of ten years after the termination of the present war, be granted in Canada to any subject of a country which at the time of the passing of this Act was at war with His Majesty. . . .

The title would be held up for possibly ten years and would be uncertain during that time. I think it very desirable that some means should be provided whereby the question of the title might be settled one way or another; or the title might be cancelled so that somebody else might apply for the land and get it, instead of having the title hung up for ten years. I mean that, apart from the question of sympathy or want of sympathy, it is quite important for us not to have titles to homesteads held up for a period as long as ten years.

Hon. Mr. McMEANS: Could not a person come in and purchase land on the open market and get the title to it?

Hon. Sir JAMES LOUGHEED: Oh, yes.

Hon. Mr. McMEANS: Then, what is the difference. A man takes a homestead; but another man may buy a piece of land and thus get a title to it, for unless he does he cannot mortgage it or deal with it. I do not see where the difference comes in between the purchaser and the homesteader. Why could not the homesteader get a title to the land as well as the man who obtains it by purchase?

Hon. Sir JAMES LOUGHEED: A safeguard is provided by subsection 8 of the same clause that we are considering. That is to say, after the judicial decision is made upon the application of the entrant:

The Secretary of State of Canada may thereupon, in his absolute discretion, issue a certificate in form K that the said alien entrant is or is not qualified to receive a patent, and shall send the same to the Minister of the Interior.

Form K will be found as a schedule to the Bill. I suppose the purpose is to overcome that difficulty. In fact, everything is done except to issue the naturalization papers.

Hon. Mr. FOWLER: There is a very wide difference between a man purchasing land in the open market and a man getting a homestead. A homestead is something which is given by the country.

Hon. Mr. McMEANS: The applicant has to work for it.

Hon. Mr. FOWLER: He has to work for it, but it is an inducement which is held out to him as a reward for coming here. The case is quite different when a man goes and buys land in the open market and pays the market price.

I do not agree with the honourable gentleman from Portage la Prairie (Hon. Mr. Watson) that it is the duty of this legislature to facilitate the making of alien enemies into citizens. I think that it is the duty of the legislature to erect barriers or obstacles in the way against a too hasty naturalization of those people. That has been our fault in the past. That is why we had certain sections of our country filled with men who were disloyal to the flag and disloyal to the country, who cared more for the land they came from than they did for the land they came to, and in which they were receiving so many benefits. I would like to see the period of probation extended, and very materially extended, so that a man should prove what his calibre was and what his regard for this country was, before being able to obtain naturalization. We have here a melting pot, and let us take care that the fires under that pot are hot enough to melt and fuse what goes into the pot, so that the result will be pure metal.

Hon. Mr. BRADBURY: That is good.

Hon. Mr. FOWLER: That is what we want to do in this country. The honourable gentleman from Portage la Prairie says we should do everything we can to facilitate the making over of those people who come to this country with ideas altogether foreign to our ideas. Let us take time to educate them. Let us see besides that they are not planted in communities throughout this country. Let them be scattered so that they may be subjected to the true Canadian influences of those people who belong to Canada and who all their lives have lived in Canada and under Canadian institutions. We have a very difficult task ahead of us. We have here a territory that is very extensive and very valuable. In order that the resources of this country may be developed, we require population; but it is better far that it should remain in the primeval wilderness than that we should bring the wrong classes of people here and try to assimilate them too rapidly. That is my view.

Hon. Mr. POWER: Does the honourable gentleman from Sussex propose that the same period of probation should be applied to English immigrants?

Hon. Mr. McMEANS: Oh, no.

Hon. Mr. POWER: I would like the honourable gentleman to answer me himself.

Hon. Mr. FOWLER: Certainly not. If my honourable friend finds it necessary to ask that question, I am afraid I fail to reach his intelligence.

Hon. Mr. POWER: The reason why I asked the question is this. At the time of the unfortunate difficulties which arose in the city of Winnipeg, when the names of the parties who were the ringleaders and were most active in connection with the disturbances came out, they were found to be, not the names of foreigners, but the names of Englishmen.

Hon. Mr. SHARPE: But their followers were foreigners.

Hon. Mr. FOWLER: Just one or two cases of that kind have occurred. My honourable friend (Hon. Mr. Power) is proud of his Irish ancestry. He would not put up Roger Casement as a representative of Irish manhood. There are dirty, renegade Englishmen, as there are dirty, renegade Dutchmen, as there are dirty, renegade Canadians. My honourable friend is arguing from an individual to the mass.

Hon. Mr. WATSON: I do not know what the honourable gentleman from Sussex (Hon. Mr. Fowler) was driving at when he referred to the remarks I made. We have to be specially guarded in our legislation as to who shall receive patents for land. I say that it should be the business of this Parliament to facilitate the issue of a patent to any person who is entitled to it under our laws.

Hon. Mr. FOWLER: That is not what the honourable gentleman said.

Hon. Mr. WATSON: If the honourable gentleman will look in Hansard he will see what I said. I am not here to defend aliens who have shown that they are enemies of Canada. I do not think they should receive patents at all. Instead of issuing patents to them, we should drive them out of the country. I am in full sympathy with that. But men who have been in the western country know that there are thousands of persons on homesteads who were classed as alien enemies during the war, who came from Germany or Austria, but who are good citizens and good Canadians. They have been barred during the war from receiving their patents. I say that if such persons appear before a judge and show good reasons why they are entitled to patents, the court should make an order for the issue of the patents. I think that is perfectly riight and just.

Hon. Mr. McMEANS: Does not the honourable gentleman draw any distinction between citizenship and loyalty?

Hon. Mr. WATSON: No. I would not draw any distinction. I think that a disloyal citizen should be deported from the country.

Hon. Mr. FOWLER: If they have been alien enemies, I do not see how they could be good citizens.

Hon. Mr. WATSON: Thousands of people in the West have been classed as alien enemies under the War Measures Act, because they came from Austria or Germany, but they were not in sympathy with the enemy at all. In fact, I know of a number of persons who would have gone to fight for Canada, but were deprived of that opportunity because they came from Austria. I do not see why such people should be looked on as enemies after the war is over, and should not be entitled to the patents which were promised them when they came to this country.

Hon. Mr. FOWLER: The honourable gentleman means Czecho-Slovaks, Poles and persons of that sort?

Hon. Mr. WATSON: I do not care who they are; if those people have up to date shown themselves to be good citizens, they should receive consideration.

Hon. Mr. McMEANS: I would like the honourable gentleman from Portage la Prairie to tell me of any man who is a thorough German and settled in Canada who is a loyal citizen.

Hon. Mr. WATSON: I did not say Germans. I do not know very many Germans, but I know a number of Austrians.

Hon. Mr. BRADBURY: I do not think any member of this House would accuse me of being over friendly to the alien enemies. I have said enough in this Chamber perhaps to inform the House where I stand on the question. At the same time, I appreciate the fact that we have in our country quite a number of aliens who have earned their patents and have not received them. Some of those persons at least are entitled to fair consideration.

Hon. Mr. WATSON: Hear, hear.

Hon. Mr. BRADBURY: At the same time, I would like to emphasize what I

have said on other occasions, that the quality of our citizenship is far more important than our numbers. As to granting homesteads to aliens from enemy countries, if I understand the Act aright, it provides that enemy aliens cannot secure a homestead. If my understanding of the Act is not correct I would urge the Government to make it so. I do not believe that at this stage we should encourage immigration from alien enemy countries. I agree with what has been said by my honourable friend from Sussex (Hon. Mr. Fowler) regarding the quality of our immigrants. It would be a suicidal policy to try to fill our vacant northern lands in Manitoba, for instance, with any more of that class of citizens. We have a large number of them in Manitoba, and there is no doubt we have failed to assimilate them. We have the evidence on every hand. We had it during recent strikes. My honourable friend from Halifax (Hon. Mr. Power) referred to the fact that all of those who were arrested and whose names were published were old countrymen—Englishmen. I think that is probably quite true. A great many of the strikers were Englishmen, but we who know what was going on there know that these men were put into office and kept there largely by the votes of the thousands of foreigners who are behind them. Despite what anybody may say to the contrary, I say the alien enemy in Winnipeg to-day is a menace, and I know what I am talking about. This country cannot be too particular in giving land to people of that kind; at the same time, no injustice should be done to men who have proved themselves loyal. Some men here have had the same experience that I had when I was raising a battalion. Dozens of these people tried to join the battalion to go to the Old Country to fight; but they were the younger element, and not the real Austrians. As you can well understand, the Austrians and the Germans were anything but friendly to the British cause. I contend that in framing amendments to the Dominion Lands Act some provision should be made which for years to come would debar such people from securing free land in this country.

Hon. Sir JAMES LOUGHEED: Since this discussion commenced, I have had an opportunity of looking into the statute. Its meaning is this: The entrant will have had his naturalization papers, but under section 4 of the Naturalization Act provision was made whereby any certificate of naturalization issued during the war could be revoked by the Secretary of State. Consequently we are dealing now with the case in which the entrant has his certificate of naturalization. He now must confirm, before a judge, the qualifications which before entitled him to the issue of naturalization papers. The decision of the judge is then forwarded to the Secretary of State, under section 8 of the Act. The Secretary of State then decides as to whether those letters of naturalization should or should not have been revoked during the war. If he certifies that it is not a case for revocation, then the patent issues.

Hon. Mr. FOWLER: Then section 4 of the Bill applies only to cases like that.

Hon. Sir JAMES LOUGHEED: Yes, only to cases of that kind. If my honourable friend will trace up the statute he will find that it deals with that sort of case. Then, provision is made whereby no certificate of naturalization shall be issued to any enemy alien for ten years; consequently that class of entrant would not be entitled to a patent at all, because he could not establish that he was entitled to naturalization, as provided for by the Naturalization Act.

New subsection 5 was agreed to.

New subsections 6, 7, and 8 were agreed to.

On new subsection 9 of section 4—entry may thereupon be cancelled, or order issued for letters patent:

Hon. Mr. McMEANS: If a man has made an entry and has had his homestead, say, for three years, has made improvements, built a house, cultivated the land, and fenced it, would his entry be cancelled without his receiving any compensation whatever?

Hon. Sir JAMES LOUGHEED: No provision is made for compensation, but there is a provision of the Dominion Lands Act by which the new entrant will have to pay for the improvements upon the land; and what he pays for the improvements may be applied for by the person who made them.

Hon. Mr. FOWLER: They are appraised by an officer?

Hon. Sir JAMES LOUGHEED: Yes.

New subsection 9 of section 4 was agreed to.

New subsection 10 of section 4 was agreed to.

Sections 5, 6 and 7 were agreed to.

The preamble and the title were agreed to.

Hon. Sir JAMES LOUGHEED: I shall confirm the explanation which I have made to the honourable gentleman from Sussex (Hon. Mr. Fowler) before giving the Bill the third reading, although I am satisfied that that explanation is the correct one.

The Bill was reported without amendment.

The Senate adjourned during pleasure.

THE ROYAL ASSENT.

The Right Honourable Sir Louis Henry Davies, K.C.M.G., Chief Justice of Canada, Deputy Governor General, having come, and being seated on the Throne, and the House of Commons having been summoned, the Right Honourable the Deputy Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend the Dominion By-Elections Act, 1919.

An Act to amend the Naturalization Act, 1919.

An Act to amend the Board of Commerce Act.

The sitting having been resumed:

CRIMINAL CODE AMENDMENT BILL—FIREARMS.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 24, an Act to amend the Criminal Code. Hon. Mr. McLennan in the Chair.

On section 1—aliens not to have firearms or weapons without a permit:

Hon. Mr. BOSTOCK: I should like to ask the leader of the Government if he can give us any information as to the kind of permit that is to be issued in this case. I do not quite see why aliens should be allowed to use firearms at all.

Hon. Sir JAMES LOUGHEED: There might be circumstances warranting the issue of a permit. As I explained the other day, the present Act simply forbids concealed weapons. Of course, this measure will prohibit the carrying of any weapons by aliens.

Hon. Mr. FOWLER: Was not that formerly absolutely forbidden?

Hon. Sir JAMES LOUGHEED: The law as it stands prevents aliens carrying concealed weapons; but it was thought desirable that it should be extended to all kinds of weapons.

Hon. Mr. WATSON: That applies to all persons.

Hon. Sir JAMES LOUGHEED: The law with reference to concealed weapons will apply to all.

Hon. Mr. WATSON: It does now.

Hon. Sir JAMES LOUGHEED: Whether aliens or nationals; but in the case of aliens it is now provided that they shall not be permitted to carry any weapons of the character mentioned in the Bill unless a permit is issued.

Hon. Mr. BELCOURT: If I had my way, honourable gentlemen, I would make that provision apply to everybody.

Hon. Sir JAMES LOUGHEED: I think that would be a good law.

Hon. Mr. BELCOURT: What reason is there for anybody going about with a pistol or a revolver or any other offensive weapon on his person?

Hon. Mr. WATSON: He cannot under the law as it is now.

Hon. Mr. BELCOURT: This provision is applicable only to aliens; so anybody who is not an alien may go about with a pistol or a revolver or other firearms in his possession.

Hon. Mr. FOWLER: He may have a whole arsenal if he displays it.

Hon. Mr. BELCOURT: Whether he displays it or not, he may have it in his house, or his office drawer, without any permit.

Hon. Mr. FOWLER: He must not carry it if it is concealed.

Hon. Mr. BELCOURT: "Being an alien, has in his possession any pistol," etc. I say I would apply that provision to everybody. I do not see why anybody should have on his person, or in his office drawer, or under his pillow, a pistol or firearm of any kind. Of course, it is different as to a rifle or a shotgun, because they are used for the purpose of hunting.

Hon. Mr. BOYER: Recently four young men were brought before the criminal court in Montreal. The oldest was only 19 years of age. They had started from Montreal after stealing an automobile, and had gone about the country, and just from deviltry had killed a man. All they found in the house was $9 or $10. The four of them have been condemned to death. When arrested they had in their possession not only revolvers but daggers as well. Why should such persons be permitted to carry firearms? They were all British subjects.

I think the law should provide against anybody carrying a weapon without a permit.

Hon. Mr. THOMPSON: It does now.

Hon. Mr. BOYER: We should not allow every Tom, Dick and Harry to carry firearms. A boy of nineteen years of age may not really understand the gravity of the crime he is committing. In a moment of anger or foliy he may shoot and kill. The victim in the case which I have mentioned was the father of a large family, a perfectly honest farmer, who has left a widow and four or five children. Why should we not provide against such cases?

Hon. Mr. WATSON: We do.

Hon. Mr. BOSTOCK: I may point out to my honourable friend that under an amendment to the Criminal Code which was made in 1913, section 118 was repealed and another clause substituted therefor. The amended clause reads:

Every one is guilty of an offence and liable, on summary conviction, to a penalty not exceeding one hundred dollars and costs or to imprisonment for three months, or to both fine and costs and imprisonment, who—

(a) not having a permit in Form 76, has upon his person a pistol, sheath knife, bowie knife, dagger, stiletto, metal knuckles, skull cracker or other offensive weapon that may be concealed upon the person or any air gun or any device or contrivance for muffling or stopping the sound of the report of any firearm, elsewhere than in his own dwelling house, shop, warehouse, counting-house or premises.

Therefore anybody carrying any of those articles is liable according to the law as it stands at the present time.

Hon. Mr. BELCOURT: My objection was that nobody should be allowed to have firearms in his dwelling or anywhere on his premises—not only on his person. I do not see why it is allowed.

Hon. Mr. POWER: I think that the law as read by the honourable gentleman on my right (Hon. Mr. Bostock) is just about the correct thing. I do not see that we need this amendment.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

PATENTS OF INVENTION BILL.

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 25, an Act respecting Patents of Invention. Hon. Mr. Watson in the Chair.

Section 1 was agreed to.

On section 2—minister to have power to waive requirement to manufacture, etc., invention within prescribed period:

Hon. Mr. BELCOURT: In what respect is this provision new? How does it differ from the present law? My recollection is that section 44 of the present Act covers the same ground.

Hon. Sir JAMES LOUGHEED: I do not think the minister has any discretion at all about extending the period or waiving any of the requirements under the existing Act.

Hon. Mr. BELCOURT: Under section 44, if I remember correctly, the minister could on application dispense the manufacturer for a definite period.

Hon. Sir JAMES LOUGHEED: This is based entirely upon the circumstances which have taken place during the war.

Hon. Mr. BELCOURT: Section 39 of the Patent Act reads:

Whenever a patentee is unable to commence or carry on the construction or manufacture of his invention within the two years hereinbefore provided, the Commissioner may, at any time not more than three months before the expiration of that term, grant to the patentee or his legal represenatives an extension of the term of two years, on his proving to the satisfaction of the Commissioner that his failure to commence or carry on such construction or manufacture is due to reasons beyond his control.

Hon. Sir JAMES LOUGHEED: That is for reasons beyond his control. Of course, that would not apply under clause 2 of the Bill; that would be for reasons within his control.

Hon. Mr. BELCOURT: That is the difference.

Hon. Sir JAMES LOUGHEED: Yes, there would be that difference.

Section 2 was agreed to.

On section 3—saving rights of persons who have used, etc., invention while patent was void:

Hon. Mr. BEIQUE: I would call the honourable gentleman's (Hon. Sir James Lougheed) attention to section 3. I think that whenever a person has commenced to manufacture after the patent has lapsed, as contemplated in section 3, he has an acquired right and should be allowed to continue to manufacture, not only without paying any royalty, but without having to get permission from the minister. I object to the last portion of the section:

and moreover the minister upon hearing the parties after such notice as he may deem re-

quisite and sufficient and considering all the facts and circumstances of the case may impose such terms and conditions (including if he so deems advisable, permission to continue such manufacture, use or sale), to which his order shall be subject, as the minister may deem reasonably necessary for the protection of persons who have commenced lawfully to manufacture, use or sell the invention covered by the patent.

I would replace that by saying merely, "and may continue to manufacture such article."

Hon. Sir JAMES LOUGHEED: My honourable friend will observe that this is making provision for extraordinary conditions that occurred during the war, and it seems to me that, because of the disturbance of the rights of the patentee during the war by reason of the war, any one intervening should not be permitted hereafter to enjoy all the rights of that patent. The person who availed himself of the patent during the interregnum is protected in what he did during that particular period; but it seems to me that it would be a manifest infringement of the patent to say that because he had acquired a right during that particular time it should flow on without any interruption.

Hon. Mr. BOSTOCK: Would not this patent right apply to the case of alien enemies who had patents in this country when the war commenced? Does this mean that those patents can be resuscitated?

Hon. Mr. BEIQUE: That is covered by section 4.

Hon. Mr. BOSTOCK: In that case, will there not be great trouble over the question of dyes? I understand that during the war the dyes which had been made in Germany were being manufactured in other countries.

Hon. Sir JAMES LOUGHEED: That would be governed by Orders in Council passed under the War Measures Act dealing with the patents of enemies. Furthermore, the conditions under the Treaty of Peace would have to be recognized. The Peace Treaties with the enemy countries have made provision for the regulation of those rights; to what extent I am not quite prepared to say; but section 4 provides for the recognition of the provisions which are made in the Peace Treaty. This simply gives the minister authority to extend the time for compliance with the Patent Act in cases which have been interfered with by the war. It does not go outside that. It deals with a limited class of cases. I might by way of illustration take for instance the cases we deal with from time to time, in which applications are made to Parliament for the extension of the rights of patentees. That condition still obtains and will not be interfered with by this Bill.

Hon. Mr. BELCOURT: Of course, the number of those Bills will be very seriously diminished.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BELCOURT: Because in future application will be made to the minister rather than to Parliament.

Hon. Sir JAMES LOUGHEED: The applicant must show that it is by reason of the war that the lapse occurred.

Hon. Mr. BELCOURT: That would not apply to section 1, would it?

Hon. Sir JAMES LOUGHEED: Yes, and it would apply to section 2. In fact, that principle is the fundamental principle of the Bill; the lapse must be attributable to the war.

Hon. Mr. BEIQUE: But I would call the attention of the honourable gentleman to clause 4. It seems to me that the first portion of clause 3 is all right and covers the point which the honourable gentleman has made:

In any case where an order is made by the minister under the authority of the last preceding section, or where a patent which has become void under the terms of the Patent Act in consequence of the non-payment of fees or failure to manufacture, or because of the importation of the patented invention, has been subsequently restored and made valid by the operation of any order made under the authority of this Act or under any Order in Council or regulation heretofore lawfully passed, and during the period when such patent was void any person has commenced lawfully to manufacture, use or sell the invention covered by such patent, the patentee or proprietor of the patent shall not be entitled to any claim, action or demand in respect of such manufacture or sale, or the use of the article so manufactured or sold.

Then the section goes on to say that the minister may allow the party who has commenced to manufacture to go on manufacturing on such terms as the minister may prescribe. The honourable gentleman (Hon. Sir James Lougheed) will see that his contention is borne out by the first two lines of section 3, but the following lines go much further and are general in their terms. I therefore submit that it is not proper legislation to interfere with vested rights that have been acquired, because the patent has become public property, and I cannot see the wisdom of giving to the minister the power to prohibit manufacture

from being continued by the party who has been manufacturing in good faith.

Hon. Mr. THOMPSON: In all the legislation that we have passed in respect to lapsed patents, we have provided that anybody who had manufactured the patent during the time of the lapse should be entitled to continue manufacturing, although we restored the patent rights to the patentee afterwards. But this seems to me to be an entirely different proposition. This section reads: "During the period when such patent was void," when the patentee could not exercise any rights, owing to certain conditions. Suppose that I, knowing that, step in and commence to manufacture the article patented. It is a question of equity whether I should have the right to continue manufacturing.

Hon. Sir JAMES LOUGHEED: Do I understand my honourable friend's recollection to be that we give the right to continue manufacturing to those who have acquired the right in the meantime?

Hon. Mr. THOMPSON: Invariably.

Hon. Mr. BEIQUE: Invariably, in reviving patents from year to year. A number of Bills have come before this House, and it has been the invariable practice to save the rights of those who have commenced to manufacture in the meantime.

Hon. Sir JAMES LOUGHEED: I may be in error, but my recollection is that we protected whatever was done in the interval, but that we did not continue the right of the infringer, so to speak, of the patent. However, I am perfectly willing that this should stand, in order that we may look into it.

Hon. Mr. DANIEL: It gives the minister the right, after hearing both parties, if he deems it proper, to allow a person to continue the manufacture or the sale.

Hon. Mr. THOMPSON: As I said before, I think it is entirely different from the ordinary restoration of patents. In all the other cases we have had here, in renewing patents, we have protected the man who started the manufacture during the lapse of the patent.

Hon. Mr. BELCOURT: A point which I think is worthy of consideration is that, whilst the Bill is predicated altogether on absence from the country because of war, that principle is departed from or forgotten in section 3.

Hon. Sir JAMES LOUGHEED: I think there is something in that contention.

Hon. Mr. BELCOURT: The section reads:

> In any case where an order is made by the minister under the authority of the last preceding section, or where a patent which has become void, etc.

Hon. Sir JAMES LOUGHEED: I shall be very glad to make further inquiries regarding this Bill, and therefore move that the committee rise and report progress.

Progress was reported.

WHEAT CROP GUARANTEE BILL.

FURTHER CONSIDERED IN COMMITTEE AND REPORTED.

The Senate again went into Committee on Bill 20, an Act to continue in force the powers of the Board of Grain Supervisors of Canada, so that it may conclude its business, and to continue in force a guarantee given by the Governor in Council with respect to the 1918 wheat crop.—Hon. Sir James Lougheed. Hon. Mr. Daniel in the Chair.

Hon. Sir JAMES LOUGHEED: We deferred dealing with this Bill yesterday, owing to the desire of my honourable friend to have copies of the Orders in Council. I understand that those have been furnished.

Hon. Mr. BOSTOCK: Yes, I have the Orders in Council in my hand, and, by reason of the courtesy of my honourable friend, I have had an opportunity of looking through them. I do not see anything particular in the Orders in Council. I suppose the Bill is simply for the purpose of enabling the board to wind up its business.

Hon. Sir JAMES LOUGHEED: Yes.

Sections 1 and 2 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

ROYAL CANADIAN MOUNTED POLICE BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 22, an Act to amend the Royal Northwest Mounted Police Act. Hon. Mr. Taylor in the Chair.

On section 1—name changed:

Hon. Mr. POWER: There is just one point that I should like to mention in con-

nection with this matter. I find that the present Dominion Police, who are an infantry force, are to be included under the title given here, namely, the Royal Canadian Mounted Police. That name is not applicable to foot policemen.

Hon. Sir JAMES LOUGHEED: We shall not insist on their being mounted. The great majority of this new body will be mounted. Of course, it does not necessarily follow, because they are called mounted police, that every member must be a mounted man. The name Mounted Police is possessed of great historic interest, and it is desirable that it should be continued. The name is a very effective one, and is recognized from the Atlantic to the Pacific as standing for the very highest standard of police efficiency.

Hon. Mr. POWER: I know that; but the Bill does not carry out that principle. The Bill says that wherever the words "Royal Northwest Mounted Police" occur they shall be changed to "Royal Canadian Mounted Police."

Hon. Mr. FOWLER: It is a pity that they could not keep the old name, because the Northwest Mounted Police is, perhaps, the best constabulary in the world. The only constabulary that compares with it in any way is the Irish constabulary.

Hon. Sir JAMES LOUGHEED: The present name is suggestive of the area in which they operate, and as it is intended to give the new force jurisdiction throughout the whole of Canada, it was thought that it would be an anomaly to use the word "Northwest."

Hon. Mr. FOWLER: The Northwest Mounted Police have made a reputation under that name. What difference does it make where they operate? It is a great pity to change things that are landmarks in the history of the country.

Hon. Sir JAMES LOUGHEED: It certainly is.

Hon. Mr. FOWLER: There are certain iconoclasts who would break all idols. I believe in idols to a certain extent, and this is one that I believe in.

Hon. Sir JAMES LOUGHEED: In this case we will have to let Ephriam cling to his idols.

Hon. Mr. FOWLER: That is what I want.

Section 1 was agreed to.

On subsection 1 of section 2—appointment of Commissioner and Financial Comptroller:

Hon. Mr. POWER: Is there a Commissioner and a Comptroller, too?

Hon. Sir JAMES LOUGHEED: Yes. The Comptroller is the deputy minister; the Commissioner is the commanding officer.

Hon. Mr. McSWEENEY: Who is the Commissioner now?

Hon. Sir JAMES LOUGHEED: Colonel Perry. Mr. McLean is the Comptroller.

Hon. Mr. FOWLER: Is the Commissioner going to be the head of this whole force?

Hon. Sir JAMES LOUGHEED: It is expected so.

Hon. Mr. FOWLER: I think he is a pretty good man. The Dominion Police Force has lacked good leadership, I think. I know that it has been the custom to extol very highly the late leader of that force; but in my opinion he has never been on the job. If he had been, the Parliament Buildings would not have had to be rebuilt. That is my view, publicly expressed.

Hon. Mr. POWER: As I understand, at the present time the Comptroller is really the head of the Northwest Mounted Police. Is that to be the case in the future?

Hon. Sir JAMES LOUGHEED: There will be a civil head and a military head, or a quasi or semi-military head.

Subsection 1 of section 2 was agreed to.

Subsections 2, 3 and 4 of section 2 were agreed to.

On subsection 5 of section 2—salary of Commissioner of Police increased:

Hon. Mr. BOSTOCK: I see that the salary of the Commissioner is increased from $4,000 to $5,000 a year. I think the honourable gentleman stated last night that it was proposed to bring the Commissioner to Ottawa. At the present time the Commissioner, I think, gets his house and certain other things. Is it proposed that he should get those things on coming to Ottawa, or is this increase to cover that?

Hon. Sir JAMES LOUGHEED: Without speaking authoritatively upon it, I think this increase is probably in satisfaction of some of the allowances from which he derives certain benefits in Regina. Naturally in a police post he would have his residence and rations and so on. I do not think that would be possible here.

Hon. Mr. POWER: You are not bound to bring him here.

Hon. Sir JAMES LOUGHEED: Not necessarily.

Hon. Mr. BOSTOCK: In that case his position really would not be as good financially as it is at the present time. Then, according to subsection 1 of this section, the Comptroller is a deputy minister. I think the salaries of the deputy ministers are now $6,000 a year.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: Is it right that the Commissioner, who is the head of the whole force, should be receiving a smaller salary than the Comptroller?

Hon. Sir JAMES LOUGHEED: I am not prepared to say that certain allowances may not be made to the Commissioner. I have not enough information on the subject to speak definitely as to that.

Hon. Mr. POWER: Is not that the case now?

Hon. Sir JAMES LOUGHEED: Yes, he is furnished with a house, heat, water, light, and so on. Whether they would be furnished to him here is doubtful.

Hon. Mr. BOSTOCK: It seems to me that it would be rather a hardship to be brought down here.

Hon. Sir JAMES LOUGHEED: I suppose he will make his stipulations before coming.

Hon. Mr. DANIEL: Will his salary be subject to municipal taxation?

Hon. Sir JAMES LOUGHEED: That would be a matter for the civic authorities to determine.

Hon. Mr. DANIEL: I think it would be for Parliament to determine.

Subsection 5 of section 2 was agreed to.

On subsection 4 of subsection 2—qualifications of officers and constables (reconsidered):

Hon. Mr. FOWLER: I would suggest that we should make this subsection more in accord with the title of the Bill. The title of the Bill is " an Act to amend the Royal Northwest Mounted Police Act." This subsection provides that the men need not be able to ride. Of course, there are two sections of the police—the Dominion Police and the Mounted Police; but it seems to me that the Act ought to say, for instance, that one of the qualifications of the mounted men should be that they shall be able to ride, because a mounted policeman who could not ride would be a very useless adjunct to the police authorities if he were after a criminal.

Hon. Mr. BRADBURY: There are two branches.

Hon. Mr. FOWLER: I know; but here it is provided that that is not to be a qualication.

Hon. Sir JAMES LOUGHEED: That can be enforced by regulation.

Hon. Mr. FOWLER: Why not say that candidates for the mounted section must be able to ride, or must pass an examination in equitation? That would cover it. The legislation looks silly in this way.

Hon. Mr. WATSON: He will not be mounted if he cannot ride.

Hon. Mr. FOWLER: I have seen men mounted who could not ride. They did not stay mounted very long, perhaps.

Hon. Sir JAMES LOUGHEED: I would have thought that that was an unnecessary provision even when the Act was first passed, because it is entirely in the hands of the officers controlling the police to determine the qualifications of every man who becomes a member of the police. Notwithstanding the fact that we are striking that out, that qualification as to those who are joining the mounted section can be just as readily enforced as if it were specially provided for in the statute.

Subsections 4 and 6 of section 2 were agreed to.

Subsection 1 of section 3 was agreed to.

On subsection 2 of section 3—service in Dominion Police to be included for pension:

Hon. Mr. FOWLER: How do the present pensions range? Are they alike in amount for the Dominion Police and the Mounted Police?

Hon. Sir JAMES LOUGHEED: My hon. ourable friend from Selkirk (Hon. Mr. Bradbury) inquired as to that yesterday. There is a pension system in connection with the Mounted Police, but there is none in connection with the Dominion Police. The Dominion Police are not entitled to any pension whatsoever; but there will be the provision, that any of the Dominion Police who have served five years and who are absorbed in this body, or who join the new organization, will be entitled to a pen-

sion. The time they have served in the Dominion Police will count as if they had served in the Mounted Police. That is to say, a man who has served five years in the Dominion Police and five years in the new force will have the same status as a man who had served ten years in the Mounted Police.

Hon. Mr. FOWLER: Supposing he has served less than five years?

Hon. Sir JAMES LOUGHEED: He will not be entitled to it; that is to say, he must belong to the new body for five years before he is entitled to the pension.

Hon. Mr. POWER: We must draw the line somewhere.

Hon. Mr. FOWLER: How about the mounted police? They have rations and they are kept in barracks. How are the salaries of those men graded? The Dominion Police of course will not be kept in barracks.

Hon. Sir JAMES LOUGHEED: No. There will be an equivalent, I presume, allowed them for that.

Hon. Mr. FOWLER: Are they going to be put on a basis of equality or at the same rate of pay?

Hon. Sir JAMES LOUGHEED: Yes, that is what I understand.

Hon. Mr. FOWLER: And then allowances will be made for rations?

Hon. Sir JAMES LOUGHEED: Yes.

Subsections 2 and 3 of section 3 were agreed to.

Section 4 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

GRAND TRUNK PACIFIC BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 23, an Act to amend An Act to confirm two Orders of the Governor General in Council respecting the Grand Trunk Pacific Railway System. Hon. Mr. McHugh in the Chair.

On section 1—clerical error in Order in Council as printed in Act corrected:

Hon. Sir JAMES LOUGHEED: This simply inserts the word "terminal," which was left out of the legislation of last session. It is inserted after the word "Pacific" so that the Act will read "Grand Trunk Pacific terminal elevator" instead of "Grand Trunk Pacific elevator." It is simply a formal matter.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

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

THE SENATE.

Thursday, October 16, 1919.

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

Prayers and routine proceedings.

DOMINION LANDS BILL.

THIRD READING POSTPONED.

On the Order:

Third reading of Bill 15, an Act to amend The Dominion Lands Act.—Hon. Sir James Lougheed.

Hon. Sir JAMES LOUGHEED: I informed the House yesterday that I would make further inquiry into the provision in the Dominion Lands Act touching the issue of naturalization papers to the entrant who may apply for a patent. I am not entirely satisfied with the explanation which I made yesterday. I think the House should be in possession of the information upon which I based that statement, and I am going to allow this to stand until I secure from the Department of the Interior such information as would permit the House further to discuss that question if they feel so disposed.

The order was discharged and placed on the Order Paper for Tuesday next.

CRIMINAL CODE AMENDMENT BILL—FIREARMS.

THIRD READING.

Bill 24, an Act to amend the Criminal Code.—Hon. Sir James Lougheed.

WHEAT CROP GUARANTEE BILL.

THIRD READING.

Bill 20, an Act to continue in force the powers of the Board of Grain Supervisors

of Canada so that it may conclude its business, and to continue in force a guarantee given by the Governor in Council with respect to the 1918 wheat crop.—Hon. Sir James Lougheed.

ROYAL CANADIAN MOUNTED POLICE BILL.

THIRD READING.

Bill 22, an Act to amend the Royal Northwest Mounted Police Act.—Hon. Sir James Lougheed.

GRAND TRUNK PACIFIC BILL.

THIRD READING.

Bill 23, an Act to amend an Act to confirm two Orders of the Governor General in Council respecting the Grand Trunk Pacific Railway System.—Hon. Sir James Lougheed.

PRIVATE BILL.

THIRD READING.

Bill 16, an Act respecting The North Empire Fire Insurance Company.—Hon. Mr. Turriff.

INTERPRETATION BILL.

FURTHER CONSIDERED IN COMMITTEE AND REPORTED.

The Senate again went into Committee on Bill 4, an Act to amend the Interpretation Act.—Hon. Sir James Lougheed. Hon. Mr. McLennan in the Chair.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it will be recalled that this Bill was practically passed by the Committee of the Whole House, but my honourable friend from Middleton (Hon. W. B. Ross) moved an amendment thereto.

Hon. Mr. BEIQUE: Where is the amendment?

Hon. Sir JAMES LOUGHEED: The amendment, which is to be found at page 78 of the Minutes, reads as follows:

> And the Exchequer Court of Canada shall have power and jurisdiction, on petition, to inquire into and determine (in cases where there is no existing provision for compensation) what sums ought in reason and fairness to be paid out of public funds to persons in respect of loss incurred or damage sustained by reason of interference with their property through the exercise by the Crown of its rights and duties under such orders and regulations.

I have taken this up with the Government, and there are two objections to the amendment. In the first place, it can scarcely be said to be germane to the Bill, I quite concede that it is in order to amend a Bill, once it is before Parliament, in any way that Parliament may choose to do; but in this particular case we have brought down a Bill providing for the interpretation of Orders in Council which were passed under the War Measures Act, and it is now proposed to tack on to the Bill a provision creating a new obligation on the part of the Crown by which damages may be recovered in the event of a petition being filed and a fiat issued. Section 7 of the War Measures Act already makes provision for the obligation of the Crown in cases where property has been acquired or used by the Crown in pursuance of the Act. But that recourse against the Crown is limited to that particular class of case. If we create a new obligation as wide and as sweeping as is proposed by my honourable friend from Middleton, it throws upon the Crown an obligation the scope of which can scarcely be foreseen. There is no good reason why the Crown should be compelled at the present time to acknowledge an obligation of that character, for this reason: if there is a manifest claim against the Crown because of some act which has been done in pursuance of the War Measures Act, there is at present nothing to prevent those who have suffered damage from seeking compensation at the hands of the Crown; but that right should not be made obligatory. We cannot at the moment foresee what class of case might arise that would create an obligation of a very serious and sweeping character. Let me illustrate. For instance, as I understand, the Hydro-Electric organization of Ontario is already claiming very large damages from the Dominion Government by reason of certain orders which were made during the war, and there are other claims of that kind which are undefinable, but which at the same time are almost immeasurable as to the extent to which damage might be claimed. Under the extraordinary conditions which arose during the carrying on of the war and under the extraordinary conditions which the Government had to face for the purpose of meeting all its obligations, not only internal but external, it would certainly be very bad policy, with respect to those engaged in extensive enterprises such as we know were carried on, and carried on at a very substantial profit to them, to give recognition to the claim that, notwithstanding, they did suffer damages which should be compensated by the Crown. My position is this: that, if damages of that kind have been suffered by any person or any organization, they can approach the

Government, and, if there is an equitable basis for their recognition, I have no doubt that the Government will gladly entertain any claim so based. Under the circumstances I have to oppose the proposal which is made by my honourable friend from Middleton.

Hon. W. B. ROSS: Honourable gentlemen, I think I gave some short explanation of the amendment at the time I moved it. There are two ways in which the Crown can claim, and has been claiming, the right to take property or to interfere with the property of the subject. One of these ways is under the Royal prerogative. You will find, on reading quite a number of Orders in Council—I will not say all, because I have not examined them all—that in many cases they say, "under the statute," or "under the prerogative power."

It may turn out that there is no authority to take or to interfere with property by statute; but during the time of the war the Government could fall back upon the Royal prerogative. The difference between taking property under the Royal prerogative and taking it under statute is this. If it is taken under the Royal prerogative, you have no action against the Crown, either by petition of right or by any other form of action: you simply have to take anything that the Crown chooses to give you, and if it says, "We will give you nothing," you have to go without. That is the position of the Royal prerogative, which is said to be founded on necessity. There has been a big battle going on in the courts of England this year as to whether a thing can be done under the Royal prerogative when a statute provides for doing that thing. It has been decided that the prerogative right is merged, and that there is no necessity to exercise that prerogative.

When you come under the statute, one of two things may happen. The statute may provide that there is to be compensation, or it may say nothing about compensation at all. In England, in 1915, when they had to deal with this question, and when they were taking a great deal of property under statute, the courts said: "The Crown has no prerogative right at all; you can go to the courts, as provided by the statute." But they recognized that there were a large number of cases in which there was no provision at all, either for compensation or as to how compensation was to be assessed. A judgment was given in the House of Lords, in which Lord Wrenbury said:

By Royal Proclamation of March 31, 1915, there was created a Royal Commission of Inquiry to inquire and determine and to report what sums (in cases not otherwise provided for) ought in reason and fairness to be paid out of public funds to persons in respect of loss incurred or damage sustained by reason of interference with their property through the exercise by the Crown of its rights and duties in the defence of the realm.

The difference between what is stated there and what is proposed in the amendment that I submitted to the House is practically, as I pointed out at the time, that in England they instituted a commission, whereas I sought to avoid that and to send the matter to the Exchequer Court, where there are two judges. What they have provided for in England is the very thing that I think we ought to provide for here, namely, that if any property has been taken under the Royal prerogative by virtue of these Orders in Council, and no provision has been made for compensation, or no method has been devised for assessing compensation, then the subject should not be deprived of his property.

There was another case known as the Keyser Hotel case, which is, perhaps, the most celebrated case which has been argued in England for years. That case went to the House of Lords, and all through the judges and the lawyers asserted the same thing, namely, that no British subject whose property was injured or taken from him by the Royal prerogative, or by any other process, was called upon to forego any fair claim for damages that he might have. In the olden time, under the Royal prerogative, a man got nothing at all. If the kingdom was invaded and an army found it necessary to camp on his ground and dig up his farm, the man had no recourse, and all the burden fell on him. That was three or four hundred years ago. The unfairness of that condition was recognized in England, and it was changed so that the man got compensation and the loss was distributed among all the subjects of the King.

If you look at section 7 of the War Measures Act you will find that it is very narrow. It simply provides:

Whenever any property or the use thereof has been appropriated by His Majesty—

The first essential is that it is to be appropriated. If His Majesty has given A the right to interfere with the property of B, it cannot be said that the property has been appropriated, so the Act does not cover a case of that kind. Then the section goes on to say:

—has been appropriated by His Majesty under the provisions of this Act, or any Order in

Council, order, or regulation made thereunder, and compensation is to be made therefor—

If the Order in Council does not provide for compensation a man has no relief at all.

Hon. Mr. DANDURAND: Cannot he proceed by petition of right?

Hon. Mr. ROSS: No.

Hon. Mr. DANDURAND: Does the honourable gentleman intend to provide by his amendment that the subject may sue without a petition of right?

Hon. Mr. ROSS: He might or he might not. I may say that I do not know of any existing claims at all; I am not dealing with any known case; I am looking at the statute and the Orders in Council, and I can see a great gap in the existing procedure with regard to compensation. The amendment is effective only when there is no existing method of claiming compensation. If there is another way under the statute, or by petition of right, then my amendment does not apply. It deals only with the class of cases that are not provided for, but which may very well exist. I shall be surprised if some cases of that kind do not arise under the existing Order in Council. If the Government knows that there are no cases of that kind, I do not see why they should object to the amendment. As I see it, this is simply a matter of justice between man and man and between the subject and the Crown. The Crown has a right to sue a subject· why has not a subject a right to sue the Crown? It will be said, no doubt, that this will open the door to a lot of bogus claims. The same thing can be said about cases in the courts; but, as we know, not one case in fifty thousand is struck off the records because of the claim being false or vexatious. If a man were to bring an action of that kind against the Crown, the penalty would be the same as it is in any court, namely, that he would be mulcted for costs, unless he established his claim; or if the claim was a frivolous claim it could be struck off.

Hon. Mr. ROCHE: I understand from the remarks of the honourable gentleman from Middleton (Hon. Mr. Ross) that a claimant for damages for any wrongs inflicted by the Government has no right to present his claim, but that the Government, out of good will, at their own option, may give leave for the case to be adjudged by the Exchequer Court, or may refuse that leave if they wish.

Hon. Mr. ROSS: There is provision for sending a certain class of cases to the Exchequer Court, but there may be a large class of cases for which no provision is made. Supposing a property is taken under the Royal prerogative, the owner has no action at common law or by statute.

Hon. Mr. ROCHE: I will give a concrete case. I own docks in Halifax next to the railway wharf which was used extensively by transports. The railway people built their wharf out covering almost all of the water, and left very little dockage room for ships. I had steamers in at my wharf, and the premier naval officer ordered them to go out to make room for the transports that came in. I went to him and showed him a map and told him that the vessels at my wharf were entirely in my water. He said that he was acting under the War Measures Act. I do not know who he was representing—whether it was the Dominion Government or the British Government: he was an officer in the British navy. I said to him: "I am disposed to aid you in every way possible; if you want accommodation, I am very willing to give it to you; but you ought to exercise no right to deprive me of the use of my own property when you have access to the wharf in other ways." I do not know whether he was acting under the Royal prerogative or an English statute or a Dominion statute; he said he was acting under the War Measures Act.

Hon. Mr. ROSS: The honourable gentleman may possibly very much need the assistance of this amendment.

Hon. Mr. BELCOURT: I was not present when this discussion was opened, but I heartily support the amendment of the honourable gentleman from Middleton. The only existing provision which can be taken advantage of by persons having claims against the Crown arising out of the taking of property during the war is, I think, section 7 of the War Measures Act, which provides that the Minister of Justice may refer to the courts such claims as we are now dealing with. Why should not the subject have the right to apply to have these matters adjudicated by the Exchequer Court? I understand that my honourable friend's object is to make sure that, if the Minister of Justice will not refer to the Exchequer Court under the War Measures Act, the usual remedy of every subject shall be preserved to him.

Hon. Mr. DANDURAND: I see no harm in adopting the amendment proposed and I think that considerable advantage may accrue to the people from its adoption. The only difficulty is to understand why it should be tacked on to the Interpretation Act.

Hon. Sir JAMES LOUGHEED: I would venture to say, honourable gentlemen, that the time is premature to create an obligation of this character without having very full information as to whether there is a class of claim not yet presented to the Government, and concerning which there is good reason to suppose that compensation will not be made. I think it would be very unwise for the Government to recognize a class of claims which may run into millions of dollars, claims which up to the present time have not received recognition, and of which they know nothing. It seems to me that it will be soon enough to pass legislation of this character when we proceed to wind up the many transactions which have arisen during the war, which will put us in possession of information of a very much more articulate character than we have at the present time. It is very undesirable at this time, when the Government is struggling with financial difficulties, to open up a new avenue whereby millions of dollars may be claimed from the Government.

Hon. Mr. DANDURAND: The obvious answer to that seems to be that no one would like to put the Government of Canada in a position different from that occupied by any individual. The courts are open to individuals for the assertion of their claims of any kind against other individuals, and the tribunal decides. That is where I beg to differ with my honourable friend. In establishing a privileged status for the state when an injury has been done, or is claimed to have been done—

Hon. Sir JAMES LOUGHEED: But the War Measures Act already makes provision that where property has been taken, appropriated, or used by the Crown—

Hon. W. B. ROSS: It does not say "used."

Hon. Sir JAMES LOUGHEED: Permit me to read it:

> Whenever any property or the use thereof has been appropriated by His Majesty under the provisions of this Act, or any Order in Council, order or regulation made thereunder and compensation is to be made therefor and has not been agreed upon, the claim shall be referred by the Minister of Justice to the Exchequer Court.

That opens up a sufficiently wide avenue, it seems to me, through which persons assert their claims against the Crown. My honourable friend (Hon. Mr. Ross) has dealt with the exercise of the prerogative of the Crown, but that has long since been exploded, so far as concerns denial of compensation by the Crown. I do not think it will be contended by any one that the Crown strictly exercises its prerogative in appropriating property or in refusing to compensate those who have in good faith sustained damage by reason of some action by the Crown. The whole trend of legislation during the last twenty-five years has been along the line of placing the Crown in precisely the same position as an individual. But here is an extraordinary situation arising out of the war, and it is not desirable that the avenue for asserting claims against the Crown should be further opened out until we have some information. I am bound to say this, that in any case in which a person or a corporation has been damnified by reason of the intervention or the action of the Crown the Government would give every consideration to the claim. I fancy I am justified in saying that every honourable gentleman in this Chamber would have full confidence that if there were a bona fide claim submitted to the Crown for damages sustained by an individual that claim would receive every consideration. It is another matter, however, to create an obligation by statute and to confer jurisdiction upon the court at once to enter upon the determination of the question.

Hon. W. B. ROSS: I think it is a fact which is notorious all over Canada, as regards every Government that has been at Ottawa, and every provincial government, that the right to sue the Crown by petition of right has not been exercised as it has been, almost time out of mind, in England. A man gets a petition of right in England as a matter of course. Any man who applied to the Attorney General of England for a petition of right and did not get it within a reasonable time would be able to wreck any government that could possibly be formed in England. But the Government at Ottawa—I am speaking not of this Government, but of all the governments that have ever existed here—and all the Provincial Governments, will tell you: "If your claim is good we will not give you a petition of right, because you would win; if it is bad we will let you have a petition of right, because you cannot win." That is about the position. You have to go with your finger in your mouth—

Hon. Mr. BELCOURT: And keep it there for many months.

Hon. W. B. ROSS: —and ask the Government to allow you to begin an action. One of the provisions in section 15 of the Canadian National Railways Bill that was passed last winter—which I thought was a very good provision, and to which, I remember, the honourable member from Halifax (Hon. Mr. Power) called attention at the time—was the clause providing that anyone having a claim against the railway company could sue them in any court of competent jurisdiction in Canada, and in the same way the railway company could sue any person in any of the courts. There is a perfect equality. If that ran through all the treatment of the subject by the Crown, I have no doubt that in course of time the effect would be that people in dealing with the Crown would be disposed to be fairer and more reasonable; but, as a matter of fact, to-day, owing to the way the Crown treats the subject, there is generated among the subjects a feeling that if there is any chance to get the better of the Crown it is a perfectly legitimate thing to do, because the Crown may keep them out of their property for years and then pay them no interest, whereas if the Crown has a claim of its own it takes very good care to have it recognized.

But this is the point. If, as the honourable leader of the Government says, there is danger about claims coming up, is not that the very reason why you should have this legislation? If a man has a claim, why should there not be a method of ascertaining how much it is? Why not let him have his pay? The fact is that, while the Government may say, "We shall not under the Royal prerogative take the property without compensation of some kind," they have the right to say just exactly what they will give. You will find that in this very case that I have been dealing with, the Keyser Hotel case, the English court laid down flat the principle that where your property is taken under the Royal prerogative there is no claim at law at all: you are entitled to only what the Crown out of its goodness chooses to give. If there were not a possible danger of very great injustice I would not be pressing this amendment.

Hon. Mr. BELCOURT: I want to subscribe to the theory enunciated by my honourable friend, that the Crown should not be placed in any better position than the ordinary subject, or in any different position; that the subject should have as much facility for exercising a right or prosecuting a claim against the Crown as the Crown has against the subject. But every lawyer knows that that is not the case. I could myself, if I had time, mention cases which to my mind were absolutely meritorious and in which a fiat was refused. There are numbers of cases which have been waiting for a fiat for years—in which the right to prosecute the claims has been denied until they are proscribed or until the witnesses have disappeared, and it is absolutely impossible to establish them. We all know that this might happen in the present case just as in preceding cases. The granting of a fiat has always been considered somewhat objectionable, and I think the time has come when that objection should disappear altogether. For that reason I support the view that claims which have not been referred by the Minister of Justice under section 7 should be allowed to be prosecuted in the way indicated by the amendment, that is, on petition to the court. Why should there be any difference between the Crown and the subject? Why should the Crown, in these democratic days, place itself in the position of being entitled to take my property and to pay me if it chooses?

Hon. Mr. BOSTOCK: It need not pay at all.

Hon. Mr. BELCOURT: As my honourable friend says, it need not pay me at all, if it chooses not to pay. The man who goes to the Exchequer Court on petition urging a claim against the Crown does so at his own risk: if he cannot make out his case he must pay the costs. That provides the guarantee which is afforded in all other courts against persons rushing into court with claims which cannot be justified. The penalty is there. If the applicant fails he has to pay the costs.

Hon. RAOUL DANDURAND: There is a strange attitude of mind in the Department of Justice. I am not speaking of to-day: I am speaking of yesterday and the day before yesterday. When a claim has been made and discussed, the opinion of the Department of Justice is asked. Its opinion may be adverse to the claimant. The claimant then says: "Give me a fiat." The Department of Justice seems to feel that it would be inconsistent with its ruling for it to open the courts to the claimant and allow him the right to test the opinion of the department. It has been my experience in many cases that the department stubbornly refuses to grant what the subject

asks—the right to test the opinion of the Department of Justice before the tribunals.

The amendment of Hon. Mr. Ross was negatived: yeas, 18; nays, 27.

Hon. Mr. DANDURAND: Would the honourable gentleman who has expressed the opinion that the amendment which has just been negatived might be so general in its application that it would lead to unknown fields, give this Chamber some explanation as to the reason which has prompted the Department of Justice to bring forward this amending Bill? I confess I am somewhat diffident about supporting this Bill, because it looks as if it were brought in to cover a special case, and I am always afraid of a general Act brought in to fit a special case. I think my honourable friend (Hon. Sir James Lougheed) will not deny the reasonableness of this contention, that Parliament has the right to be told what has prompted a department to bring before it an amendment to a general Act. This amendment to the Interpretation Act may cover a multitude of Acts which have been done under the general Orders in Council and may lead us to the absolutely unknown—perhaps much farther than we would go if we knew exactly what had prompted the department to propose this Bill. If my honourable friend would give us the concrete case which has led the department to suggest this amendment to the present law it would be far more satisfactory.

Hon. Sir JAMES LOUGHEED: My honourable friend was apparently not present when I moved the second reading of the Bill, when I did make an explanation as to the reason. I would say to my honourable friend that, as he already knows, a great body of Orders in Council have been passed under the War Measures Act. That body of Orders in Council is practically statute law, so far as their effect is concerned. The Interpretation Act did not apply to Orders in Council; it was therefore necessary to pass an Order in Council under the War Measures Act making applicable the Interpretation Act to all the Orders in Council which had been passed under the Act. That Order in Council was passed on the 26th day of June, 1917, and reads as follows—I omit the formal words:

> Doth hereby order and declare that every provision of the Interpretation Act, Revised Statutes of Canada, 1906, shall extend and apply to every order and regulation heretofore or hereafter passed by the Governor in Council in execution of the powers conferred by the War Measures Act, 1914, except in so far as any such provision (a) is inconsistent with the intent or object of such order or regulation, or (b) would give to any word, expression or clause of any such order or regulation an interpretation repugnant to the subject matter or the context, or (c) is in any such order or regulation declared not applicable thereto.

This Order in Council furnishes an interpretation for all Orders in Council passed under the War Measures Act. But immediately the Proclamation of Peace is issued this Order in Council will fall to the ground, and there will be no interpretation provision for the Orders in Council which have been passed under the War Measures Act, and in pursuance of which certain business will have to be concluded. It is therefore necessary to supersede this by statutory legislation, and we are simply embodying this Order in Council in the Bill which is now before us. It simply applies the Interpretation Act in the Revised Statutes to the Orders in Council which will survive, so far as the conclusion of Acts or things done under those Orders in Council is concerned.

Hon. Mr. BELCOURT: I wish at this stage to renew my protest against the Bill. I called attention on the second reading to clause 8 of the Interpretation Act, which reads as follows:

> Any Act may be amended, altered or repealed by an Act passed in the same session of the Parliament.

Now, this Bill must be read in connection with other sections of the Interpretation Act, including section 8, which I have just read. The present Bill perpetuates for an indefinite time the power of the Government to legislate by Order in Council, even after the Proclamation of Peace. You must read section 8 as declaring: "Any Order in Council may be amended, altered, or repealed." We are to have the Declaration of Peace in a month or two, or possibly within a week, when the War Measures Act will cease to have effect. All the Orders in Council which have been passed by virtue of the War Measures Act will also fall to the ground, as my honourable friend (Hon. Sir James Lougheed) has just told the House. The effect of this Bill, if it becomes law, will be to enable the Government to amend, alter, or repeal any one of these Orders in Council, which would otherwise be void. In other words, the effect of this Bill, if it is passed, is to perpetuate government by Order in Council, which we have had for five years. I do not know that the Government is going to do that. I hope it is not going to have recourse to such a desperate trick, as I would call it; but it is possible for the Government to do so.

Hon. Sir JAMES LOUGHEED: Will the honourable gentleman be good enough to read the whole of the section?

Hon. Mr. BELCOURT: I will read it all:

Any Act may be amended, altered, or repealed by an Act passed in the same session of the Parliament.

Hon. Sir JAMES LOUGHEED: Yes, passed by the Parliament of Canada.

Hon. Mr. BELCOURT: But that cannot apply to the Orders in Council. My honourable friend knows very well that the only provision of section 8 which should be looked at with regard to this Bill is the first part of the section:

Any Act may be amended, altered or repealed.

That is, "Any Order in Council may be amended, altered, or repealed." The words which follow apply only to an Act of Parliament and do not apply to Orders in Council. Therefore I say that the Orders in Council themselves may be amended, altered, or repealed, notwithstanding that the power to pass Orders in Council will have completely lapsed by reason of the Proclamation of Peace.

I made that protest before, and I want to renew it now. I do not suppose my protest will have any result, but, sitting here as a lawmaker, I think it is my duty at least to point out the use that may be made of this Bill, and I do not know but that it is the intention to make such use of it. At all events, I want to point out its possible application.

Hon. Sir JAMES LOUGHEED: I took the liberty on a former occasion of expressing my dissent from the interpretation placed by my honourable friend on section 8, and I avail myself to-day of this further opportunity to say that I dissent so much from his opinion on that section as to consider that opinion to be without foundation. There would have to be an Act of Parliament before the Bill could operate in the way my honourable friend has indicated; and I think my honourable friend feels just as assured as I do, that once peace is proclaimed, there is no intention to perpetuate those Orders in Council, and thus violate the whole spirit actuating the Parliament by which the Act was passed. No government could for a moment survive the evasion indicated by my honourable friend.

Hon. Mr. POWER: There is perhaps more force in the argument of my honourable friend from Ottawa (Hon. Mr. Belcourt) than the leader of the House seems to think. My difficulty with respect to this measure is, that, while it is no doubt desirable that any Orders in Council made under the War Measures Act should be treated as though they were statutes, I do not think that the power should go any further. The clause before us goes a good deal further. It says:

Every provision of the Interpretation Act shall extend and apply to every order and regulation heretofore or hereafter passed—

I do not think the word "hereafter" should be there, to begin with. The section continues:

—passed by the Governor in Council in the execution of any powers delegated by statute.

It seems to me that the operation of this measure should be restricted to the powers delegated by the War Measures Act; and I think the honourable gentleman from Middleton (Hon. Mr. Ross) and the honourable gentleman from Ottawa (Hon. Mr. Belcourt) probably agree that it should not be extended beyond the powers delegated by the War Measures Act. As it is now, we do not know just what we are proposing to do.

Hon. Mr. DANDURAND: The honourable gentleman states very plainly his view as to the purport of this Bill. Suppose his view were overruled by the majority of his colleagues, in what position would he be placed? I suppose he would have to send in his resignation. In order to obviate that calamity, could he not adjourn the consideration of this Bill, and ask the opinion of the Department of Justice on the point raised by the honourable gentleman from Ottawa?

Hon. Sir JAMES LOUGHEED: I may say that the Department of Justice is responsible for this Bill, and that I am introducing it at the instance of the Minister of Justice. When this Bill passed the House of Commons, where there are dozens of eminent lawyers, apparently it was not looked upon with so much suspicion as it is in this Chamber. Furthermore, I venture to say that in my humble judgment it does not bear the interpretation which honourable gentlemen insist upon placing upon it. It simply makes the Interprretation Act applicable to Orders in Council passed under the War Measures Act, so

long as they may have any force or be in operation.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THE TREATY OF PEACE BILL.

THE COMMONS AMENDMENT AGREED TO

The Senate proceeded to consider the amendment made by the House of Commons to the amendment made by the Senate to Bill 3, an Act for carrying into effect the Treaty of Peace between His Majesty and certain other Powers.—Hon. Sir James Lougheed.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I beg to move:

That a message be sent to the House of Commons to acquaint that House that the Senate doth agree to the amendment made by the House of Commons to the amendments of the Senate to Bill 3, an Act for carrying into effect the Treaty of Peace between His Majesty and certain other Powers.

Hon. Mr. POWER: Would not it be more regular to take the sense of the House first, and to pass the resolution afterwards?

Hon. Sir JAMES LOUGHEED: That would be done on the resolution. I presume this is the only way the question can be raised, and for that reason I have moved the resolution. It may be recalled that the Bill was amended, probably inadvertently, at the instance of the Government, so as to give the necessary power for the ratification of the various treaties that may be entered into between the Allies and the enemy countries. As that amendment would involve the ratification of treaties with which Parliament had not been made acquainted, it was thought in the House of Commons that it would be inadvisable to go to that length; but inasmuch as the Austrian Treaty has been ratified, it was thought desirable that the Bill should cover that treaty as well as the German Treaty. Consequently, the Bill has been limited to those two treaties.

Hon. Mr. BOSTOCK: I think the Government, as represented in the House of Commons, are rather to be congratulated on the stand they have taken. The honourable gentleman from Ottawa (Hon. Mr. Belcourt) raised the point that it was not wise for us to ratify treaties which we knew nothing about. Apparently there has been some difference of opinion between the Government as represented in this House and the Government as represented in another place.

Hon. Mr. BELCOURT: Why should we not be consistent? We have the example of the House of Commons with regard to the treaty with Turkey; why not apply the same rule with regard to the treaty with Austria? We have not seen it any more than we have seen the treaty with Turkey. We are told that the treaty with Austria has been signed, but that is all. I think the Government would be entitled to further commendation if it further amended the Bill by confining it to the treaty with Germany.

Hon. Sir JAMES LOUGHEED: I think it was pointed out in the House of Commons that the Austrian Treaty, as far as Canada's interest is concerned, was practically a replica of the German Treaty.

Hon. Mr. DANDURAND: Has it not been signed by Canadian representatives?

Hon. Sir JAMES LOUGHEED: I understand so.

Hon. Mr. BELCOURT: It is exactly the same, is it?

Hon. Sir JAMES LOUGHEED: I am told that it is, so far as Canada is concerned.

Hon. Mr. DANDURAND: Can the honourable gentleman tell us whether the treaties with Bulgaria and Turkey have been signed?

Hon. Sir JAMES LOUGHEED: I am unaware of their being signed.

The motion was agreed to.

CIVIL SERVICE BILL.

FIRST READING.

A message was received from the House of Commons with Bill 18, an Act to amend the Civil Service Act, 1918.—Hon. Sir James Lougheed.

The Bill was read the first time.

Hon. Sir JAMES LOUGHEED: When this Bill is read a second time, I shall propose that it be sent to a special committee. I think it desirable that it should be considered in that way, and I give my honourable friend notice so that he may give consideration to the matter.

Hon. Mr. BOSTOCK: Is it the intention to call the gentlemen who framed the classification?

Hon. Sir JAMES LOUGHEED: I should think it would be in the discretion of the committee to investigate the subject as they think best.

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

THE SENATE.

Tuesday, October 21, 1919.

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

Prayers and routine proceedings.

RAILWAY SUBSIDIES.

INQUIRY.

Hon. Mr. CASGRAIN inquired of the Government:

1. What is the amount paid in subsidies to the Grand Trunk Railway system during the last sixty-five years?
2. What is the amount of subsidies paid to the Canadian Pacific Railway during the last thirty-seven years?
3. What is the amount of subsidies paid to the Canadian Northern Railway during the last twenty-five years?
4. What is the amount of subsidies paid to the Grand Trunk Pacific Railway from Winnipeg to Wolfe Creek, or a point 120 miles west of Edmonton?

Hon. Sir JAMES LOUGHEED:

The following information so far as the Department of Railways and Canals is concerned:

1. Grand Trunk Railway system, $15,142,633.34; Grand Trunk Railway, Victoria bridge, $500,000; total, $15,642,633.34.

2. Canadian Pacific Railway Company: Original construction, $25,000,000; Canadian Pacific extension (North Shore), $1,500,000; branch lines, $5,369,374.70; total, $31,869,374.70.

3. Canadian Northern Railway Company: Canadian Northern Railway Company, $1,909,132; Canadian Northern Quebec Railway Company (formerly Great Northern Railway, Quebec), $1,265,357.14; Canadian Northern Quebec Railway Company (formerly Chateauguay & Northern Railway), $391,819.75; Canadian Northern Alberta Railway Company, $3,120,000; Canadian Northern Ontario Railway Company, $14,485,635.20; Canadian Northern Pacific Railway Company, $5,987,520; total, $27,159,464.09.

4. Grand Trunk Pacific Railway Company: No subsidy paid on line between Winnipeg and Wolfe Creek, in so far as the Department of Railways and Canals is concerned.

INTERPRETATION BILL.

THIRD READING.

Bill 4, an Act to amend the Interpretation Act.—Hon. Sir James Lougheed.

CANADIAN WHEAT BOARD BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 21, an Act respecting the Canadian Wheat Board.

He said: Honourable gentlemen, the object of this Bill is to continue the powers, duties, and rights of the Canadian Wheat Board for eighteen months from the date of the Bill. This board was appointed by the Governor in Council under the provisions of the Order in Council recited in section 1 of the Bill, for the purpose of dealing with the grain crop of the present year. It is estimated that to adjust accounts and finish up the business arising out of the purchase and sale of the 1919 wheat crop will take at least a year and a half. This continuation of the powers of the board will simply be along the line of dealing with the crop of the present year, and does not continue their rights to deal in any sense with any future crop.

Hon. Mr. McSWEENEY: What is the price of the 1919 crop to be?

Hon. Sir JAMES LOUGHEED: $2.15, I understand, plus any surplus that may be realized after the expenses of the board are satisfied.

Hon. Mr. WATSON: Can the honourable gentleman give us any idea as to the price the farmer is likely to receive? Most of the 1919 crop is now marketed.

Hon. Sir JAMES LOUGHEED: I cannot inform my honourable friend as to that. I should think it would be very largely governed by the price of wheat in the European markets. The United States for the wheat crop of 1919 has fixed an arbitrary price per bushel, which is in excess of the amount we have fixed. Whether the crop will realize that it cannot at the moment be said; but the farmer will have the advantage of any surplus which the crop may realize beyond the minimum amount we have fixed, namely, $2.15 a bushel. It is to be hoped that a surplus may be realized. The United States Government, in fixing the price—I think it is $2.26—estimated that the Government itself would have to defray a substantial amount in the handling of the crop at that price; but it would be premature to venture to say what amount will be realized on the Canadian crop.

Hon. Mr. WATSON: I see by press reports that in Southern Saskatchewan the

farmers are at present teaming the wheat across to the United States, where they get from $2.80 to $2.85 a bushel, with the result that the elevators along the southern boundary of the province are closed because of no trade being done. Evidently the Canadian farmer is teaming his wheat 30 or 40 miles and getting a very fair price for it.

Hon. Mr. ROSS: Is that a fair price?

Hon. Mr. WATSON: I suppose it is a fair price when it is the market price.

Hon. Mr. SCHAFFNER: I understood the leader of the Government to say that the United States Government price was an arbitrary price.

Hon. Sir JAMES LOUGHEED: It is an arbitrary price, in so far as the purchase of wheat at that price is concerned.

Hon. Mr. SCHAFFNER: I understand that $2.26 is not an arbitrary price, but is the minimum price, and that wheat has been selling at from $2.60 to $2.80 and $2.90 per bushel.

Hon. Mr. ROCHE: Honourable gentlemen, it is very well to dilate and express great satisfaction at the very high price of wheat obtained by the farmers, as if they were the only class in the community.

An Hon. SENATOR: It looks like it now.

Hon. Mr. ROCHE: I should like to ask, what about the consumer, when flour is $10 or $11, or $13 a barrel, or whatever it may be, based upon this minimum price of wheat? The consumer has very great objection to it soaring so high. If the function of this board is to continue the very high price of wheat, and consequently the very high price of flour, which people of all classes have to consume, I do not know that it is an object of benevolent legislation to continue these soaring prices. or to continue the function of the Wheat Board either. There should be some regard paid to the feelings and pockets of the consumers as well as to the aggrandizement of the farmers.

Hon. Mr. SCHAFFNER: Honourable gentlemen, according to Mr. Barnes, the best authority on this question, in America at any rate, even with the price of wheat at $2.60 or $2.80, bread is the very cheapest article of diet which goes on the table of either the poor man or the rich man. Mr. Barnes further says—and this perhaps raises a point that may not have been generally considered, and is a reply to what my honourable friend from Halifax (Hon. Mr. Roche)—states that, in order to reduce the price of the loaf by one cent it would be necessary to reduce the price of wheat 62 cents. So the argument that the high price of flour adds very much to the high cost of living does not stand. I want to repeat that statement, that bread is the very cheapest article of diet that goes on the table of any man in this country.

Hon. Sir JAMES LOUGHEED: For the purpose of clearing the minds of honourable gentlemen as to the difference between the two systems, may I refer to a statement made by the Minister of Trade and Commerce, who is chargeable with the administration of this Act. The statement shows a comparison between the system adopted by the Canadian Government and that adopted by the United States. Dealing with the fact that the United States has fixed a price of $2.26 per bushel for American wheat, it shows what the Canadian farmer will get for his wheat:

> If the wheat nets $2.26 the original sellers will get $2.26; if it nets $2.30 they will get $2.30; if it nets $2 they will still get their $2.15 and the Government will pay the difference.

That is to say, if the wheat realizes less than $2.15, the Canadian Government will pay the difference.

> They get what a competent wheat-selling board gets for the product on the markets of the world, less costs and charges. On the other hand, the seller in the United States gets $2.26, no more and no less. If the surplus is sold at $2.50 he gets no more for the grain than $2.26. That is a fair statement of the case as between the two systems.

So I have to accept the statement of the Minister of Trade and Commerce, who is chargeable with the administration of this Act, as to the operation of the United States law in fixing an arbitrary price.

Hon. Mr. WATSON: It fixes an arbitrary price, but that is the minimum price. The United States farmer can sell his wheat for anything he can get for it on the open market, over and above the $2.26. The Government is not responsible, but he can sell it.

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

OLEOMARGARINE BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 28, an Act to permit the temporary Importation, Manufacture and Sale of Oleomargarine in Canada.

He said: Honourable gentlemen, the ob-

ject of this Bill is to permit the temporary importation, manufacture and sale of oleomargarine in Canada. It is proposed that those rights shall be continued until the 1st day of March, 1921. It will be recalled that under the War Measures Act this class of product, owing to the price of butter, has been permitted to be imported into Canada. I need not say that there has been a very great difference of opinion among different classes in Canada as to whether this product should be allowed to be, not only imported into Canada, but also manufactured in this country. It may be of interest to the Chamber to be made aware of the volume of importations and of manufactures of oleomargarine since this law was passed. There have been imported into Canada from December, 1917, to September 30 of the present year 8,706,937 pounds; and there have been manufactured in Canada in the same period 13,927,265 pounds. From this volume of importation and manufacture it is fair to reason that the Government is warranted, under present conditions, in permitting the importation as well as the manufacture of this food product. With this explanation I move the second reading of the Bill.

Hon. Mr. POWER: I cordially endorse the motion made by the honourable leader of the Government, but I think it has one slight defect, in that its operation is to cease on the 31st of March, 1921. The average man, I assume, would not consume oleomargarine if he could afford to use butter; but at the prices now charged for butter a very large proportion of the population would have to take their bread dry. They cannot afford to purchase butter, and, but for the changes which have been made in the law, they would not be allowed to purchase oleomargarine, which is, as I understand, a very satisfactory substitute for butter. I think that the farmers of this country have, on the whole, been very prosperous during the last few years and have had great opportunities of accumulating profits, and I agree with my junior colleague from Halifax (Hon. Mr. Roche) that the average man, the ordinary consumer, should not be penalized for the purpose of enabling any class to make more than a reasonable profit. I think that the limitation is the only objectionable feature in this measure.

Hon. W. B. ROSS: Will the honourable gentleman move an amendment?

Hon. Mr. POWER: No, not at all. I endorse the Bill, except that I do not think it should contain the limitation that it does contain.

Hon. W. B. ROSS: Why does not the honourable gentleman move to take it out?

Hon. Mr. MURPHY: He does not want to defeat the Bill.

Hon. Mr. POWER: Perhaps the honourable gentleman will undertake to vote for it, if I do?

Hon. W. B. ROSS: I will.

Hon. Mr. MURPHY: I will, too.

Hon. Mr. POWER: A motion coming from that side of the House would have a much better chance of passing than one coming from this side.

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

THIMM DIVORCE PETITION.

REPORT OF COMMITTEE CONCURRED IN.

Hon. W. B. ROSS moved concurrence in the Sixth Report of the Standing Committee on Divorce to whom was referred the petition of Frank Thimm, together with the evidence taken before the said committee.

Hon. J. D. TAYLOR: Honourable gentlemen, I have been requested by the counsel on behalf of the respondent in this case to ask that this matter be referred back to the Committee on Divorce, so that the respondent may have an opportunity to be heard. I am informed that the notice of the hearing of this case was sent out only on Saturday, October 11, and it was for the hearing to take place on the following Wednesday. The Sunday and Monday following the notice being holidays, and the respondent having changed her address in Toronto, the notice reached her only on Tuesday afternoon. There is an affidavit that she immediately attended at her solicitor's to ask for an arrangement for funds to permit her to come to Ottawa, and that her solicitor here was notified that she had been unable to get funds and could not be present on Wednesday. The local solicitor appeared before the Committee on Divorce to ask that the hearing be postponed until the respondent could attend. This application was refused, and the evidence was heard. The evidence, I must say, having read it, is very bad, but it appears also that it is the evidence of the originator of the charges in this case. Now, I ask that this matter be referred back so that the committee may hear the evidence for the defence, in the interest not only of the respondent, but

in the interest also of some of the co-respondents, all of whom are stigmatized by the appearance of their names in print in this evidence, without their having any opportunity to be heard as to whether or not the charges are true. I have in my hands two affidavits, which I do not propose to read, because I assume that this application for reference back will be granted. These affidavits are from two of the persons named as co-respondents, and they totally deny that they had any such connection as is charged here with the case. In one instance, the affidavit actually states that the co-respondent did not live at the address given, where the offence was supposed to have taken place, at the time alleged as the time of the offence. It also states that while he did live there the persons named were never in his house together, under any circumstances.

I think I have said enough to show that it will be very inadvisable to adopt this report on the evidence that we have, without giving the respondent an opportunity to be heard.

The Hon. the SPEAKER: Do you move to refer the report back to the committee?

Hon. Mr. TAYLOR: I move that the report be referred back to the committee.

Hon. Mr. FOWLER: Honourable gentlemen, I think anybody who has read the evidence in this case will see that, of all the cases that have been before the Divorce Committee, this is probably the rankest. My honourable friend from New Westminster (Hon. Mr. Taylor) has said that he has affidavits of two of the co-respondents. There are about a dozen other co-respondents; so he has a very small minority among all those that were cited. I am instructed that this application is made only for the purpose of delay. The petitioner is a returned soldier, a man who had a very creditable career in Canada, and who, as I am informed, went to the war as a private and returned with the rank of captain, having been promoted on the field. While he was bravely venturing his life for his country, his wife was taking an entirely different line. Probably most of those co-respondents were slackers, who cared nothing for the country except perhaps to propagate a breed as poor as themselves. It seems to me that of all the cases that have come before the committee this is the one in which delay—for this is only for the purpose of delay—should least be granted. I trust that the House will not pass this motion.

Hon. Mr. TAYLOR.

Hon. Mr. TAYLOR: As a matter of privilege, I desire to state that the honourable gentleman has no warrant whatever for saying that I make this motion for the purpose of delay. There is not the slightest foundation for that. I know nothing about the case except from the evidence that was placed in my hands an hour ago. I make this motion in the interest of justice. It would be granted by any court in the land, and the respondent would be heard before sentence was pronounced against her.

Hon. Mr. MURPHY: What about the committee?

Hon. W. B. ROSS: Honourable gentlemen, in the first place, I want to say with regard to the application for funds that the rule requires that a wife asking that her husband should be ordered to supply her with funds must satisfy the committee that she has a defence. The least she should do when applying for funds is to file an affidavit with the committee denying the charges, or, at all events, indicating to the committee the probability of her establishing a good defence. She did not do so, and we refused the application. No defence was indicated to the committee.

Then, with regard to her appearance here, the committee were perfectly satisfied that this woman was simply trifling with them. She had every chance to be here, and it was her business to be here. She was in telephone communication with persons who knew perfectly well when the trial was coming on. It is an application for a delay which, when you look at the evidence, you will see has nothing at all to commend it. This is one of the vilest cases that has been heard by the committee this session, or in any other session.

Hon. Mr. PLANTA: Honourable gentlemen, I am informed that this woman was present in this building the day following that on which her case was heard. It was impossible for her to be here when the evidence was taken. As a matter of fact, she knew nothing of the hearing in time to get funds to enable her to come here. She has had no funds from her husband. I can see no reasonable objection to the delay in this matter even if the respondent's sole object is to gain time. It is better to err in the interest of justice than to—

Hon. Mr. FOWLER: Would the honourable gentleman permit? Look at the bottom of page 21. You will see that she has had considerable funds.

Hon. Mr. PLANTA: I have not the report in my hand, but I am urging that no possible harm could come from delaying this matter, even if delay is the object of the respondent in asking that she be given an opportunity to offer her evidence, and there is everything to be said in favour of her being given that opportunity. I trust that honourable gentlemen will support the motion.

Hon. Mr. FOWLER: If the honourable gentleman will look at the bottom of page 21, he will find that she has had $240 since May:

Q. Is not she receiving part of your gratuity allowance?—A. She received $90 a month up to the end of May, and from May on she has been receiving $40 a month separation allowance. She got the last payment on October 5.

Q. She gets that monthly allowance?—A. She gets that monthly allowance. She has had since the end of May, roughly, between $200 and $240.

Hon. Mr. MURPHY: What was his rank?

Hon. Mr. FOWLER: Captain.

Hon. Mr. LYNCH-STAUNTON: Where does she live?

Hon. Mr. FOWLER: In Toronto.

The proposed amendment of Hon. Mr. Taylor was negatived on the following division:

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The report was concurred in.

CIVIL SERVICE BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 18, an Act to amend the Civil Service Act, 1918.

He said: Honourable gentlemen, in moving the second reading of this Bill, may I be permitted to say that in the session of 1918 we passed what was known as the Civil Service Act. Under section 52 of that Act this provision was made:

The Commission shall, as soon as practicable after the passing of this Act, after consultation with the several deputy heads and other principal officers and employees, prepare schedules containing lists of the positions and the duties and salaries attached thereto, and the salaries and increases or other remuneration that in the opinion of the Commission are necessary and proper for the Outside Service or any portion or branch of the Outside Service of any department and of any other branch or portion of the Outside Service, and, upon the approval of the same by the Governor in Council, and by resolution passed by both Houses of Parliament, such schedules shall come into operation.

There are other provisions in this Act looking to the reorganization and the classification of the public service with a view of standardizing the different positions, the salaries and the duties which all go to make up the public service of Canada. The present Bill is simply giving effect to the principle and the policy then adopted by Parliament. At the last session of Parliament, there was presented a classification of the service, such, broadly speaking, as we have before us for consideration during the present session; but, owing to the fact that there was not then sufficient time for proper consideration of the very large volume of study embraced within the four corners of that classification, the matter stood over until the present session. Unfortunately, it reaches this Chamber at a time when the prorogation of Parliament is practically within view, and I can very well understand my honourable friend opposite criticising the Government for bringing before Parliament at the eleventh hour this very important piece of legislation. It has been before the House of Commons, and has apparently received such consideration there as warranted that House in giving a third reading to the Bill and sending it to this Chamber for final consideration. Whether time will permit of proper consideration being given to it I cannot at the moment say. The Bill is before us, however, and although prorogation may be a very short period ahead of us, it is our duty to enter upon the study of the legislation and to give every attention to it.

I need not enter into any lengthy explanation of what this legislation involves; but I might with advantage read a short extract from a statement which was prepared by the Civil Service Commission. I

think for the last session of Parliament, as to the scope of the work which they had undertaken. This will give you some idea not only of the magnitude of the work but of its importance and the necessity of it not only being entered upon, but being seriously considered and adopted by Parliament. In speaking of the classification which accompanies the Bill, the commission states:

> The classification accomplishes six distinct desirable ends, thus furnishing six reasons why it should be adopted. They are as follows:
>
> 1. Equitable Compensation: The state of affairs with regard to the compensation of positions discovered in the course of the classification work was exactly that which invariably develops in any service administered under a decentralized system and without regard for sound and scientific employment principles.
>
> (a) In many cases highly qualified employees were found to be as a class underpaid.
>
> (b) In other cases employees were found who had no scruples in holding sinecures and drawing salaries large or small for doing nothing.
>
> (c) Throughout the service there was serious lack of uniformity in salaries for persons performing the same work. In one branch of one department of seven employees doing identically the same work, two received $600, one $900, one $1,200, two $1,300, and one $1,350. In another branch where duties, responsibilities, hours of work, and personal qualifications were found to be identical, one employee was receiving $600 per year, and another $1,800.

Hon. Mr. CLORAN: It is about time something was done.

Hon. Sir JAMES LOUGHEED (reading):

> (d) In many cases it was found that supervision has not been recognized in the amount of salary received. One striking case of such injustice involves an employee who has been receiving $1,000 while of the fifty-five employees under his supervision two receive $1,400, one $1,300, two $1,200, and several $1,100.
>
> (e) Considerations of humanity one often finds to be a prolific source of over-payment. One official was found of advanced age who at present is practically incapacitated but is retained at a very substantial salary and doing purely nominal duties.

I might go on, honourable gentlemen, and read many extracts from this report referring to the many anomalies and inequalities which exist in the public service of Canada. When we consider the many barnacles which have accumulated upon the ship of state, so to speak, from Confederation down to the present time—accretion after accretion, without any proper system for supervising the organization and operation of the service, such as any business concern would apply—we can readily understand the many abuses which have crept into the public service of the Dominion.

Hon. Mr. McSWEENEY: How many have we in the Civil Service now?

Hon. Sir JAMES LOUGHEED: There are about 60,000 employees in the public service of Canada. This, I may say, is a sincere step. It may not be as effective as it will hereafter become to place in a proper condition the public service of our country. It stands to reason that this Chamber can scarcely grapple with the many considerations involved in dealing with this subject; therefore it occurred to me, and it was also suggested to me by the minister who had charge of the Bill in the House of Commons, that it should be sent to a special committee, which could exercise its discretion in hearing whomsoever it chose, as to any explanations which might be sought, and as to the facts which the committee wished to consider. Therefore, after the second reading, I am going to take the liberty of suggesting that a special committee be appointed by this Chamber, to whom this Bill will be sent for consideration.

I should like to direct the attention of honourable gentlemen to the very lengthy classification attached to the Bill. To what extent the committee will see its way to recommend to the House the acceptance of that classification, which has been prepared by experts, I am not prepared to say. Nor am I prepared to say whether the committee will see its way clear to delegate to any tribunal the revision of that classification. These are subjects upon which the committee will no doubt report to this House, making whatever recommendations they deem best.

Hon. Mr. BOSTOCK: Honourable gentlemen, the leader of the Government has referred to the late hour of the session at which this legislation has been brought before us. I think we all agree that it is rather late to ask the House to deal with a question of this kind at this time. We were brought here this session for the purpose of giving our approval to the Peace Treaty, and I do not think that any honourable member of this House, when he came here in September, expected that he would be asked to deal with an important question like the Civil Service Act.

The proposal to put the Civil Service of Canada on a fair and equitable basis I am sure appeals to every member of this House. We hope that the legislation will be of a kind that will place the Civil Service of Canada in such a position that a man, on entering the service, could feel that he had

tion that the classification should be made according to what clerks and others ought to do rather than what they actually did. It was supposed that an official in a certain department was equal to an official in another department. That is, I think, the basis of the comparison and elaboration. But, from the remarks of the honourable leader of the Government (Hon. Sir James Lougheed), and from our own personal knowledge of the employees, we know that there are in every department a number of men on whom the work is placed, and it is rolled off from a number of others. There is in the department a fag who has to do the major part of the work, while others who are gentlemen of courteous manners and influential connections, think that all the duties of their office are fulfilled when persons with those qualifications are selected, and that no burdensome duties are to be imposed on themselves. I approve of the appointment of this special committee, and if the committee would observe the individuals, ascertain their records and how much work they do in the departments and how little is done by other persons who may be placed in the same classification and may conform to the rules that are laid down by the experts in this scheme, it would discover what civil servants are valuable to the country and who are those who merely dodge their duties and use up the public money. I make these statements without any reserve, because I have heard from a number of persons in the various departments that that defect does exist. If this committee can remedy that deficiency and anomaly, it will deserve the expenditure of time that is put upon it, and also the expenditure of money which it will involve. If the system is merely to be made more elaborate and more metaphysical, it will be a waste of time and a waste of money; but if the public service is to be made more operative and more efficient, and if the right man will get the right salary and the person who has influential connections or political pull is put in his proper place, then the motion is deserving and the inquiry will be justified by the country.

Hon. G. D. ROBERTSON: Honourable gentlemen, just a word with reference to this Bill. I have no objection to its being referred to a special committee provided the committee will make a report at this session. I make that statement for the reason that I think it is important that it should be dealt with this session. Civil servants have for two years been expecting some reclassification and reorganization of the service, whereby they would be paid on a more equitable basis for the services rendered than has heretofore been the case. It was fully expected that these amendments to the Civil Service Act and this reclassification would have been brought down at the last session of Parliament. Because of the great volume of work entailed, as the book itself indicates, it was impossible to get the work completed, and the Civil Service Commission have, to my knowledge, worked very diligently, together with those who are advising and assisting them, in order to get it completed in time for this session. While there may be anomalies in the classification as proposed, I think it is also true that it corrects many more inequalities than there remain errors. It ought not to be difficult, and will not be difficult, to correct errors that may be found to exist, at a future session. I respectfully urge that this House should endeavour to deal with this Bill definitely before prorogation.

Hon. Mr. POWER: I suppose that the conscience of the honourable gentleman who has just taken his seat should have reproached him, or approached him, a little earlier. This classification scheme was laid on the table of this House during the last session. The Government had ample time between March and October of this year to have dealt with the matter and made the measure reasonably complete and perfect. Instead of that, the Government do not seem to have done anything at all in connection with the measure from the time that the classification scheme was laid on the Table last session until a few days ago. Now the Government come to us and admit that this measure is defective in a good many respects, and the honourable gentleman who has just taken his seat calls on those who are appointed to the special committee to hurry up and be sure to get the work done within the next two or three days. It comes to that, because the honourable leader of the House says that we are going to have prorogation in a very short time. The committee will not have time to deal with the measure in the way in which they should. It is a measure that requires deliberation and careful consideration.

One serious drawback to the present condition of the Civil Service is the fact that there is no system of superannuation. In all the big industrial and financial institutions in the country there is some kind of superannuation. There is none here, and

a career before him in which he could do his very best in the interest of the country, and that when the time came when he was no longer fitted to do his work he would be placed in a position to retire with a comfortable maintenance for the rest of his life. I understand that it has not been found possible under this Act to deal with this latter question.

My honourable friend has referred to the classification with which we are asked to deal. If honourable gentlemen have seen this classification they will observe that it is a very cumbersome piece of work. I do not think any one of us would feel able to grasp the whole of the information that is printed in this book. It contains some 850 pages and deals with an enormous number of positions. But I happened, in glancing through it one day, to notice in one particular case a classification which struck me as not being on a proper basis. I hope that the whole question will be examined by the special committee to which my honourable friend has referred. The item to which I particularly allude is one that affects the Senate. At page 294 appears a classification dealing with the "Editor of Debates (Senate)." He is apparently put in a class by himself and his compensation is started at the sum of $200 a month, or $2,400 per annum, and increases to $225 a month, or $2,700 per annum. Just above that we find the position of "Editor of Debates." Presumably this refers to the Editor of Debates of the House of Commons, for the definition of his duties are that "during the sessions of Parliament he is to be responsible, under direction, for the reporting, editing, and printing of speeches and proceedings of the House of Commons and its committees." The compensation for the Editor of Debates of the House of Commons starts at $290 a month, or $3,480 per annum, and rises to $350 per month, or $4,200 annually. Honourable gentlemen will see that the maximum salary which the Editor of Debates of the Senate can receive is less than the minimum of the Editor of Debates of the House of Commons. Any honourable gentleman who thinks about this matter will realize that the Editor of Debates of the Senate has to be as highly educated and as well trained as the Editor of Debates of the House of Commons, and it seems to me an anomaly that a classification of this kind should appear in this book. I have not had time to examine it more closely to see whether there are other anomalies of that nature, but I think that this is a point which should be very carefully considered by the committee. It would appear from a reading of this classification that more attention has been paid to the number of reporters who are doing the work of the House of Commons, as compared with the number employed by the Senate, than to the actual education and training that the editor himself must have. I do not desire to cast any reflections, but I think that in classifying a position of this kind more attention should be paid to the training and education of the man occupying it than to the number of persons who are employed under him. I was speaking the other day on this subject with a gentleman who claimed that in another department a somewhat similar condition existed. Therefore I think that the Government are to be commended for referring this matter to a special committee, so that we may investigate all such questions.

Another question occurs to me in regard to this Bill. The honourable leader of the Government himself referred the other day to the way in which Bills are drafted. When honourable gentlemen look at this Bill they will see that the manner of drafting the Bill makes it very difficult to understand how the clauses fit in and how they apply. I think this is almost a stronger instance than the one which was mentioned the other day, of the necessity of our having a committee appointed for the purpose of considering the drafting of Bills, to see if we cannot have them drafted in such form that it will be easier to understand exactly what is meant—what clauses are struck out and what other alterations are made. I think that when honourable gentlemen come to examine this Bill they will find great difficulty in understanding what is meant by the alterations that are made in the Act of 1918.

Hon. Mr. ROCHE: I express great reluctance in differing from the honourable leader of the Opposition with regard to the object of summoning the Senate and the House of Commons. He said it was to approve of the Peace Treaty. Now, if there is any subject on which a Peace Treaty ought to have been passed and for which Parliament ought to have been summoned, it is the Civil Service above everything else; because if there is any question about which members of Parliament have been at war, it is that of the Civil Service.

It appears to me that the defect in the scheme elaborated by the experts is this. It is arbitrary and metaphysical to some extent; that is, it is based on the supposi-

That language is rather vague, and I must confess my inability to quite understand it.

Then, a very important point is embodied in clause 5, which says:

> The following subsections are added to section 28 of the said Act:

The subsection with which I am dealing is a short one, and reads in this way:

> An employee holding a permanent position that is to be abolished, or which is no longer required, shall be laid off and his salary discontinued but his name shall be placed, in the order provided by the regulations of the commission, on the eligible list for the class of position from which he was laid off.

That seems to provide a very summary way of getting rid of a man who may have been for thirty years in the service of the Government. He holds a permanent position, and the position is not thought necessary; he is laid off, his salary is discontinued, and he gets no retiring allowance. I think that clause of the Bill needs further consideration.

Under clause 10, on page 6, a new section, number 45, is provided for. The first subsection deals with promotion. It says:

> Promotion is a change from one class to another class with a higher maximum compensation, and vacancies shall be filled, as far as is consistent with the best interests of the Civil Service, by promotion.

That is something which I think needs to be made a little more definite. While I do not believe in promotion by seniority altogether, I think seniority should count.

I suppose, honourable gentlemen, considering the short time at our disposal, that I have troubled the House long enough.

Hon. Mr. FOWLER: Honourable gentlemen, it seems a strange thing that the honourable the senior member for Halifax (Hon. Mr. Power) has forgotten the legislation that was passed after his party came into power in 1896. Previous to that time there was a superannuation scheme, whereby servants of the Crown who had performed their duties faithfully and well for a certain number of years were provided for in their old age. The friends of my honourable friend saw fit to do away with that scheme. The abuse that he is persistently heaping upon this Government would be better bestowed upon the people who were responsible for that scheme being withdrawn. My honourable friend has not said a word as to that, but has staunchly supported those gentlemen.

The leader of the Government pointed out some anomalies in the Civil Service, and I presume it is the intention to remedy those by the present Bill; but even in the present classification there are some anomalies. For instance, in the Department of Indian Affairs there are inspectors who have charge of large districts where there are numbers of Indian agents. The classification provides that an inspector's salary shall go up to $2,280—I think that is the limit, and there is no provision for any promotion. The salary of an agent, however, goes up as high as $2,800; and there is provision that a man may be promoted from the position of agent to that of inspector. It is a sort of Dutch promotion. A man would get a considerably smaller salary if he took the position of inspector than if he were to remain as agent. So apparently there is something for this committee to do.

I was struck by what the middle member for Halifax (Hon. Mr. Roche) said with regard to the service.

Hon. Mr. ROCHE: The upper middle member.

Hon. Mr. FOWLER: Have it to suit yourself. There is no doubt that the service is over-manned; I think every one is satisfied of that; but it is easier to say the service is over-manned than it is to say in what respect and how you are going to get rid of the surplus timber.

Hon. Mr. MURPHY: The derelicts.

Hon. Mr. FOWLER: The derelicts. If we had a superannuation system it might be easier of accomplishment; but it is not always the older men who are the most useless. I think there are too many women in the service. Some women are very capable civil servants. I know some who are as valuable as a good many men; but, as a rule, they are not. I think if some remedy along this line could be found it would be of great benefit to the public service.

Hon. Mr. DANIEL: I quite agree with the suggestion of the leader of the House that this Bill should be referred to a special committee; but when one takes into consideration the Bill and the classification which it is intended to confirm, I cannot imagine that the committee, if it is to report back to this House within three days, should, would, or possibly could, make as valuable a report as this Chamber has a right to expect. When one takes into consideration the great amount of work contained in the classification—a book,

the Government have persistently refrained from introducing a Superannuation Act. The result is, honourable gentlemen, that there is in every department a considerable proportion of men and women occupying positions, some of them being paid very high salaries, who are practically unable to give value for the money that they receive, and who should be retired from the service in the interest of the public. But the Government feel—and I am not finding fault with the Government because of this—that if a man has been serving the public for thirty or forty years and doing his work conscientiously, it would be cruelty to throw him out on the world. On the whole, I rather sympathize with the Government in that respect. But it was the duty of the Government to have long since—not this year or last year, but long since—passed a superannuation measure. If that had been done we should have got rid of those comparatively ineffective and in some cases highly paid officers, and then your Civil Service Commission would have had a chance to make a classification that would have been much more satisfactory than any that can be made now.

Hon. Mr. ROBERTSON: May I ask my honourable friend if he contends that the classification ought not to be dealt with or passed until a Superannuation Bill is brought down?

Hon. Mr. POWER: I am going to give my opinion about that in a moment. I am not now referring to our duty with respect to this Bill, but I say it was the duty of the Government to have introduced a proper measure for retiring servants who are too old or are incapable, without serious injury to the service and without cruelty to the men themselves.

I know that civil servants are not, as a rule, favourites with the public generally, but there is this to be said. A young man or a young woman enters the service, serves conscientiously and faithfully for thirty or forty and in some cases fifty years, and then has to retire, if the law is carried out strictly, without receiving anything. If a man dies in harness, his widow gets an allowance of two months' pay.

Now, I wish to call the attention of honourable gentlemen to the great difference that exists between the care that the Government have taken of the men who have gone overseas, have been absent for a year or two and have come back and resumed their avocations, and the negligence with which their own direct, permanent service has been treated. I do not undertake to quarrel with what has been done for the returned soldiers, but I do think that those whose whole lives are given to the service of the public should be dealt with a little more liberally than they have been.

With respect to the question that has been put by the honourable Minister of Labour I wish to say this. I think that this classification measure in its present form is very imperfect; but the service have been given to understand that this measure, or something like it, would be put through—in fact, before this session; and even though the measure be imperfect in its present form, as it certainly is, and although it may not be nearly perfect when the committee report on it, still I think that, taking it altogether, perhaps the faith of the country is in a certain way pledged to the civil servants, and, as I understand that a great majority of them are anxious that this measure should pass, I for one shall not be disposed to vote against it.

I may be permitted before closing, to say a word with respect to a matter mentioned by the honourable the leader of the House, and dealt with by the honourable the leader of the Opposition, that is, the mode of amending Acts and the language used in making amendments. There are two systems of dealing with amendments: one, if you wish to alter two or three words in a section, is to strike out the whole section and to reinsert the section in its corrected form. That, I think, for those who have to use the statutes afterwards, is perhaps the more convenient plan. The other plan, the one generally followed now, is to insert in the existing section the change, whatever it may be. It may be said with regard to the latter system, that it enables those who are dealing with the Bill with a view to its passage to see at once just what the change is that is being made. I do not undertake to say which is the better system. I think, on the whole, that for permanent purposes the first system is the better; but there is also a good deal to be said for the other system.

I may venture to say a word about one or two points as to which the committee might look for information. In clause 4 of the Bill, at lines 11 and 12, I find the following:

> For this purpose the commission shall establish lists of persons eligible for such temporary employment.

as the leader of the Opposition has already said, composed of 700 or 800 pages—I really am unable to see how this committee would be able to go over the whole of that classification and make a real and equitable report upon it. However, it has been my experience, all through my parliamentary life, that the most important legislation is generally brought in at the end of the session, and I imagine that the practice followed out this session will be the same as in the past.

There is one question that I should like to ask the leader of the Government, and that is whether, if they consider it advisable to do so, the Civil Service Commission have any discretion whatever with regard to altering the classification as it is brought before us to-day? Have they any power to alter it or is this to be a hard and fast statute which they cannot pass by under any circumstances?

Hon. Sir JAMES LOUGHEED: I could not answer the question. I think there is an Appeal Board by which there could be revision.

Hon. Mr. DANIEL: Section 42 says:

> The classes of positions, including the several rates of compensation in the Classification of the Civil Service of Canada, signed by the Commission and dated the first day of October, one thousand nine hundred and nineteen, and submitted to Parliament, are hereby ratified and confirmed, and the Civil Service shall, as far as practicable, be classified in accordance therewith.

That, I presume, is the classification which we now have before us. Who is to be the judge of the practicability? It appears to me that that section would give the commission a certain amount of discretion in dealing with this matter; and, if that is so, it would make me much more willing to accept an early and probably incomplete report, and to pass an Act on that report than if there were no such discretion allowed. There is no doubt in my mind that there are a great many inequalities in the classification presented to Parliament, and that they will have to be altered or removed before the whole matter will be satisfactory. Would I be justified in thinking that that clause gives some discretion to the Civil Service Commission?

Hon. Sir JAMES LOUGHEED: I prefer not to answer that question.

Hon. Mr. McSWEENEY: I understand that the leader of the Government intends to move for a committee?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. McSWEENEY: The whole thing can be discussed then.

Hon. Mr. DANDURAND: If we are not to be here a month or two studying this classification, there is no question that the work of the committee, which will have but a few sittings, will not amount to very much; but, at all events, the committee can listen to whatever representations may be made either in person or by memoranda sent to the committee. I may say that I have received two or three documents from persons who are opposed to the present classification. I do not intend to read those representations here; I will send them to the committee. The Civil Service Commissioners, or one of them, naturally will be in attendance on the committee; and the deputy ministers could perhaps be called in case the representations made were considered to be of a sufficiently serious nature to justify that course. I do not believe the committee will have more than enough time at its disposal to consider the representations that may be made.

I think it might be of advantage for honourable gentlemen to divide this work among them, and each take a few pages of the report and see if there were not some glaring inequalities or errors which might be remedied by the committee. As my honourable friend to my left (Hon. Mr. Bostock) spoke of the reporting staff of the Senate, I opened the classification to find what were the duties of the parliamentary reporters, and to my amazement, at page 532, I found the following:

> Parliamentary Reporter (Senate). Definition of Class: To take minutes of the proceedings of the Senate; to administer to the new members the oaths required by law; to pronounce the Royal Assent to Bills or signify that certain Bills have been reserved; to reply, by command, accepting the benevolence of the Commons, when the Speaker of the House presents Supply Bills; to be responsible for the maintenance of the necessary accounts and records of the Senate; to act as Clerk of the Parliaments; to have custody of all the original Acts of Parliaments; to affix the seal to copies of Acts intended for the Governor General or the Registrar General of Canada or for production before courts of justice; to furnish certified copies of Acts and collect the statutory fees therefor; and to perform other related work as required.

I was under the impression up to this moment that these were some of the functions that fell to the Clerk of the Senate; but I find, under this definition, that they go to the parliamentary reporters.

Hon. Sir JAMES LOUGHEED: And they have been neglecting them.

Hon. Mr. DANDURAND: I do not see that the compensation is commensurate with the duties to be performed.

Hon. Mr. McSWEENEY: What is the salary?

Hon. Mr. DANDURAND: That mentioned by my honourable friend from British Columbia. Apparently there is a gross error in the definition of the duties of the parliamentary reporters. It seems to me that each of us could well afford to take some twenty or twenty-five pages of this report and see if there are not other errors such as that which I have indicated. I shall have occasion to lay before the committee which is to be appointed some of the representations that I have received.

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

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I beg to move:

That Bill 18A an Act to amend the Civil Service Act, 1918, be referred for consideration and report to a special committee composed of the following senators:

Messieurs Barnard, Béique, Belcourt, Bennett, Blain, Bostock, Boyer, Dandurand, Daniel, Fowler, Lougheed (Sir James), Murphy, McSweeney, Power, Ross (Middleton), Schaffner, Sharpe, Tanner, Tessier, Thompson, Watson, and Willoughby; and that the said committee have power to send for persons, papers and records.

The motion was agreed to.

Hon. Mr. POWER: Honourable gentlemen, I just wish to suggest that possibly the committee might consider the advisability of removing the staffs of the Senate and the House of Commons from the jurisdiction of the commission.

Hon. Sir JAMES LOUGHEED: My honourable friend is on the committee.

Hon. Mr. McSWEENEY: That is where you can do it.

Hon. Mr. POWER: Yes, I know.

OPIUM AND DRUG BILL.

FIRST READING.

Bill 34, an Act to amend the Opium and Drug Act.—Hon. Sir James Lougheed.

MEAT AND CANNED FOODS BILL.

FIRST READING.

Bill 35, an Act to amend the Meat and Canned Foods Act.—Hon. Sir James Lougheed.

Hon. Sir JAMES LOUGHEED.

DIVORCE BILL.

FIRST READING.

Bill D, an Act for the relief of Frank Thimm.—Hon. Mr. Willoughby.

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

THE SENATE.

Wednesday, October 22, 1919.

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

Prayers and routine proceedings.

FINANCES OF CANADIAN NORTHERN SYSTEM.

INQUIRY.

Hon. Mr. CASGRAIN inquired of the Government:

1. What were, up to the 31st of August, 1919, the total receipts from all sources whatever of the Canadian Northern system since it has been operated by the Government or the company acting for the Government?
2. What were the total disbursements by the same for operating, purchase of equipment, betterments, maintenance, obsolescence, capital, coupons, notes, and for all other subject-matters generally?
3. Was there a surplus or deficit?
4. In either case what was the amount of the surplus or deficit?
5. What is the estimated surplus or deficit for the current year?

Hon. Sir JAMES LOUGHEED:

1. Gross earnings, October 1, 1917, to August 31, 1919, $93,502,669.27.

Proceeds of notes sold to public, $52,871,608.

Advances from Dominion Government for repayment of notes and loans, construction, betterments and new equipment, also interest on securities, $71,606,463.58.

2. Operating expenses, $93,188,470.58.

Expenditure on construction and betterments, also purchase of equipment, $56,346,558.85.

Repayment of coupon notes and loans, also interest charges, $71,356,256.50.

3. Deficit.

4. The net earnings from operation to December 31, 1918, was $4,846,103.24, but after paying bond interest and all other charges the deficit was, October 1, 1917, to December 31, 1917, $2,368,122.40; January 1, 1918, to December 31, 1918, $14,643,753.30; total, $17,011,875.70.

5. Estimated operating deficit, $5,587,028.

Hon. Mr. BOSTOCK: I should like to draw my honourable friend's attention to the answer. One section of the answer to the first question is: "Proceeds of notes sold to public, $52,000,000." Could my honourable friend give us some more information as to what those notes are?

Hon. Sir JAMES LOUGHEED: I know nothing about them. If my honourable friend will signify what further information he wants I will try to get it for him. I fancy those would be temporary loans. There were temporary loans issued by the Canadian Northern and afterward redeemed.

Hon. Mr. BOSTOCK: But these would be still outstanding. It says: "Sold to public." Then, with regard to the answer to the second question: "Expenditure on construction and betterments, also purchase of equipment, $56,000,000," could the amounts be shown separately instead of being lumped in one sum?

Hon. Mr. ROCHE: May I make a suggestion? Perhaps the leader of the House may see the propriety of it. I would suggest that when a question has been asked, the answer should follow the question immediately, instead of being some distance from it, and being numbered 2, 3 or 4. It is difficult sometimes to know exactly what the question was. Would it be too much trouble to have the answer put after the question?

Hon. Sir JAMES LOUGHEED: I will suggest that that be done hereafter.

CANADIAN NATIONAL RAILWAY EXTENSIONS.

INQUIRY.

Hon. Mr. BOSTOCK inquired of the Government:

1. Which of the lines of railway the extension of which was authorized by the Second Schedule of the Act 9-10 George V, Chap. 13, are being constructed at the present time?
2. What is the name of the contractor who is carrying out the work in each case?
3. If land has to be acquired in connection with any of these lines of railway will the provisions of clause 13 of Chap. 13 apply, or will the land be acquired under the clauses of the general Railway Act?

Hon. Sir JAMES LOUGHEED:

1. Lines under construction—Manitoba: Winnipegosis Southerly, contractor, J. W. Stewart & Co.; Saskatchewan: Lampman-Peebles, between Brandon, Regina and Maryfield lines; contractor, Canadian Construction Co.; Swift Current-Gravelbourg, contractor, Gibbs Bros.; Humboldt-Melfort, contractor, J. W. Stewart & Co.; Melfort, northeasterly, contractor, J. W. Stewart & Co., Luck Lake (Dumblane S.W.), contractor, Western Construction Co.; Acadia Valley (Eston westerly and Alsask southerly), contractor, Grant Smith & Co., Eston southeasterly, contractor, J. W. Stewart & Co.; Turtleford northwesterly, contractor, Western Construction Co.; Thunderhill branch, contractor, Canadian National Railways, Alberta; Oliver northeasterly, St. Paul de Metis, contractor, J. W. Stewart & Co.; Hanna-Medicine Hat, contractor, Canadian Construction Co., Ltd.; Onaway (Peace River), contractor, Canadian National Railways. British Columbia: Kamloops-Kelowna and Lumby, contractor, J. W. Stewart & Co.

2. See answer to No. 1.

3. Land is being acquired under the clauses of general Railway Act.

SALARIES OF POST OFFICE EMPLOYEES.

INQUIRY.

Hon. Mr. TAYLOR called the attention of the Government to an Order in Council of the 8th January, 1918, respecting salaries of postmasters and assistant postmasters, and inquired:

1. What are the names of the post offices in respect of which refunds were demanded or diminution of salaries took place under the authority of such order?
2. What years were covered, in each case, by such demand or diminution; and what, in each case, was the amount reclaimed or stopped?
3. To what salary did each postmaster or assistant postmaster remain entitled for each year affected by such Order in Council; and to what maximum salary had he been entitled, in each case, in the years preceding those affected by the order?
4. What has been the range of general increase through bonus or otherwise, in pay of employees of the Post Office Department at Ottawa since 1914? What was the salary of the Deputy Postmaster General in 1914? What is it now?

Hon. Mr. BLONDIN:

1. Victoria.

2. 1st April, 1915, to 31st March, 1916: reductions, postmaster $250, assistant postmaster $200.

3. Salary: 1st April, 1915, to 31st March, 1916: postmaster, $3,250; assistant, postmaster, $2,000.

Maximum salary previous to 1st April, 1915: postmaster, $3,500; assistant postmaster, $2,200.

4. Statutory increases of $50 or $100 per year, according to classes. Bonus since April 1, 1919, varying from $42 to $420 a year, according to age, salary, household

responsibilities. Deputy Postmaster General: salary, 1914, $5,000; salary, 1919, $6,000.

DOMINION LANDS BILL.

THIRD READING.

Bill 15, an Act to amend The Dominion Lands Act.—Hon. Sir James Lougheed.

CANADIAN WHEAT BOARD BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into committee on Bill 21, an Act respecting the Canadian Wheat Board. Hon. Mr. McLennan in the Chair.

The Bill was reported without amendment.

OLEOMARGARINE BILL.

CONSIDERED IN COMMITTEE AND REPORTED.

On motion of Hon. Sir James Lougheed, the Senate went into committee on Bill 28, an Act to permit the temporary Importation, Manufacture and Sale of Oleomargarine in Canada. Hon. Mr. Thompson in the Chair.

The Bill was reported without amendment.

PATENTS OF INVENTION BILL.

CONSIDERATION POSTPONED.

On the Order:

The House again in Committee of the Whole on Bill 25, an Act respecting Patents of Invention.

Hon. Sir JAMES LOUGHEED: I desire to take up this Bill with the Minister of Justice, and would therefore move that the Order be discharged and be placed on the Order Paper for Friday next.

Hon. Mr. DANDURAND: When this Bill was up for second reading I suggested that, perhaps, its scope could be extended to all cases in which a patentee has neglected to renew his license and has failed to pay his dues in time to the department. As my honourable friend is not going on with the Bill, could he not take up that question with the department? It would be a very easy matter to extend the scope of the Bill. Clause 1 reads as follows:

The minister may at any time extend the time prescribed by the Patent Act, or any rules made thereunder, for doing any acts, paying any fee, or filing any document, upon such terms and subject to such conditions as he may think fit in the following cases, namely:—

a. Where it is shown to his satisfaction that the applicant, patentee, or proprietor, as the case may be was prevented from doing the said act, paying the said fee, or filing the said document, by reason of active service or enforced absence from the country, or any other circumstances arising from a state of war, which, in the opinion of the minister, would justify such extension.

If the words "arising from a state of war" were struck out it would read:

By reason of active service or enforced absence from the country, or any other circumstance, which, in the opinion of the minister, would justify such extension.

The Bill has the effect of allowing an applicant, patentee, or proprietor an extension of time for doing a certain act, if it is shown that he was prevented from doing the said act by reasons arising from a state of war. I am asking that the minister should be given the authority to accept the fee when the patentee has some good, valid reason for having failed to pay the fee in due time. Very often we are flooded with requests for Parliament to authorize the applicant to do within a certain time what he had failed to do before a certain date. I wonder if the department could not be clothed with such authority and thus save Parliament the trouble of investigating each and all of these cases? The Bills that come before us from patentees, in nine cases out of ten, allege that the agent in Ottawa has failed to pay the fee, or that the proprietor of the patent has died, and that the heirs have failed to notice that the fees should have been paid by a certain date—and I can hardly remember a case in which we failed to grant what was requested. If a certain class of excuses have satisfied Parliament —and they have satisfied Parliament for the last twenty years—why should not the minister be authorized to act upon such representations?

Hon. Sir JAMES LOUGHEED: I shall be very glad to discuss this matter with the Minister of Justice. Within my limited experience I have never yet seen a department that was not willing to assume all the authority Parliament might give to it; and I fancy, if it is suggested that the department or the minister should exercise this authority, that they will have no objection to assuming it.

Hon. Mr. BEIQUE. I do not agree with the honourable gentleman from De Lorimier (Hon. Mr. Dandurand). I think that what he has suggested might lead to a good deal of abuse. The department is dealing with very important matters, and the rights of the public are involved in a great many instances. I think it is but proper that the power which heretofore has been exercised

by Parliament should continue to be exercised by Parliament. I think it is the duty of the patentee to maintain his patent; but if he fails to do so, either through his own neglect or that of his representatives, the least penalty should be that he should come to Parliament for the purpose of getting relief.

Hon. Mr. DANDURAND: Another remedy has been suggested—that the system which has prevailed in the United States should be adopted in lieu of our own law. Our law allows two or three terms during which the patentee may extend his patent; in the United States a greater term is allowed, but the payment is made once and for all.

Hon. Sir JAMES LOUGHEED: I will take the matter up with the department.

The motion was agreed to.

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

THE SENATE.

Thursday, October 23, 1919.

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

Prayers and routine proceedings.

CANADIAN WHEAT BOARD BILL.

THIRD READING.

Bill 21, an Act respecting the Canadian Wheat Board.—Hon. Sir James Lougheed.

OLEOMARGARINE BILL.

THIRD READING.

Bill 28, an Act to permit the temporary Importation, Manufacture and Sale of Oleomargarine in Canada.—Hon. Sir James Lougheed.

OPIUM AND DRUG BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 34, an Act to amend the Opium and Drug Act.

He said: The object of this Bill is practically to give legislative effect to certain Orders in Council which were passed at the instance of the Imperial Government, who asked us to co-operate with them in enforcing more restrictive measures as to the import and export of opium. The Bill is a very short one, and simply makes provision that in the matter of import to or export from Canada of any class of the different drugs mentioned in the Bill, a license shall be obtained from the Government.

Hon. Mr. POWER: Is there any limitation of the quantity of drugs to be imported?

Hon. Sir JAMES LOUGHEED: That will be subject to regulations which will be passed, I presume, by the Department of Health, which will administer the Act. I have a very lengthy explanation before me of the reasons which have led to this Bill, and of the international negotiations or communications which have taken place in pursuance of a certain conference held between different Governments on the subject, but I think it is unnecessary for me to read it to the House.

Hon. Mr. BOSTOCK: Honourable gentlemen, I think that we all agree with the principle of this legislation. I only rise for the purpose of drawing the attention of the minister to the way in which the Bill is drafted. It is referred to as "An Act to amend the Opium and Drug Act," but the section does not refer to any section of the Opium and Drug Act which is now in our statute-books. It simply says:

> This Act shall be read as one with the Opium and Drug Act, chapter 17 of the Statutes of 1911.

Will this be considered as section 1 of the Opium and Drug Act? It is rather curious drafting. Perhaps my honourable friend will look into the question and let us know about it.

Hon. Sir JAMES LOUGHEED: Yes, before we go into committee.

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

MEAT AND CANNED FOODS BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 35, an Act to amend the Meat and Canned Foods Act.

He said: Honourable gentlemen, the objects of this Bill are, first, to define more accurately the term "dry lobster meat," and to extend the definition to all kinds of canned shellfish, as in the canning of shellfish of all kinds, liquid is added; second, to require in the case of canned fish, that the label shall show, amongst other things, the weight of the contents of the can instead of the net weight of the fish contained therein; third, to modify the sizes of lobster cans; and fourth, to require

that cans containing canned fish and shellfish imported into Canada shall be labelled in such a manner as to show, in addition to the information now required, the weight of the contents of the can in the case of fish, and the weight of the dry meat in the can in the case of shellfish, as is required on cans packed in Canada. Last year a Bill was introduced to deal somewhat similarly with the same subject, but it was not reported back from the committee to the House of Commons, and consequently did not reach this Chamber; therefore it was thought desirable that it should be taken up at this session and passed.

Hon. Mr. BOSTOCK: Probably this Bill can be better discussed in committee. Apparently it is intended to change the Act of 1917, which provided that a pound can should consist of 14 ounces, so that a can may contain any quantity. It does not say that it is to be a pound can. I do not know the size of the can that is usually used in the trade; but it has been suggested to me that it holds about 12 ounces of fish.

Hon. Sir JAMES LOUGHEED: And sells for 16?

Hon. Mr. BOSTOCK: I do not know whether it is actually sold as a pound can or not; but from the casual attention I have been able to give to this Bill, it rather looks as if a canner was going to buy fish at 16 ounces to the pound and sell it at 12 ounces to the pound. Probably some honourable gentleman who is more familiar with the business than I am may be able to give us some information on that point when we go into committee.

Hon. Mr. MURPHY: This is a subject that seems to be perennial. We had it before us last year; we had it before us in 1917; but the ideas of the department on the matter were not accepted by the Senate. The men who are in charge of the Department of Fisheries should know something more about this matter than every Tom, Dick and Harry who wants to put his nose into an affair that he knows nothing about. A Bill was brought in recommending 12 ounces, but fault was found, for the same reason as my honourable friend (Hon. Mr. Bostock) objects, because it meant selling a twelve-ounce can for sixteen ounces. I know that my honourable friend is perfectly honest in his remarks; but most of our lobsters are sold in the foreign market—they are sold in France and in the Scandinavian countries to-day, and were sold in Germany before the war—and there is a well-understood regulation as to what weight a lobster can should contain, and there is no reason for us to be finicky in trying to force on people what they do not need. It is all right to provide that Canadians shall get sixteen ounces of lobster meat for themselves, but it is absolutely impossible to put sixteen ounces of lobster meat, with the necessary brine, into an ordinary can. So a weight of twelve ounces of dry meat—that is, twelve ounces after allowing it to drip for so many hours—has been accepted as standard by all the packers, and accepted by the market. A weight of from twelve to thirteen ounces of lobster meat was usually put into the can. But provision has been made for a can containing sixteen ounces of dry lobster meat, and any person may get sixteen ounces if he so desires. The cans have to be labelled three ounces, six ounces, nine ounces, twelve ounces or sixteen ounces. Nobody will be deceived, as the weight of the contents is marked on the can. Therefore, as I say, I do not see why we should be finicky as to what the market accepts as the standard.

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

DIVORCE BILLS.

SECOND AND THIRD READINGS.

Bill D, an Act for the relief of Frank Thimm.—Hon. Mr. Willoughby.

FIRST READING.

Bill E, an Act for the relief of John Robert Stephenson Carson.—Hon. Mr. Gordon.

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

THE SENATE.

Friday, October 24, 1919.

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

Prayers and routine proceedings.

HUDSON BAY INDIANS AND ESKIMOS.

MOTION.

Hon. Mr. MULHOLLAND moved:

That an Order of the Senate do issue for a copy of all correspondence, papers, documents and telegrams, concerning the amelioration of conditions among the Indians and Eskimos inhabiting the east coast of James and Hudson Bays, from East Main River in the south, to Hudson Straits in the north, showing what has

been and is being done to provide emergency relief, medical attention, administration of justice, industrial training, introduction of reindeer treaty rights, securing of adequate prices for their furs, and any other matter in the interests of these people.

The motion was agreed to.

MORNING SITTINGS OF SENATE.

MOTION.

Hon. Sir JAMES LOUGHEED moved:

That commencing on Saturday, 25th instant, unless differently ordered, there shall be two distinct sittings of the Senate every day, the first sitting to commence at 11 o'clock, a.m., until 1 o'clock, p.m., and the second sitting to commence at 3 o'clock, p.m., and that all Standing and Select Committees of the Senate be permitted to sit while the Senate is in session, notwithstanding anything contrary in Rule 86.

He said: However, we shall not appropriate Saturday, and we hope there will not be another Saturday intervening. We shall not exercise the privileges embodied in the motion unless it is really necessary to do so.

The motion was agreed to.

SUSPENSION OF RULES.

MOTION.

Hon. Sir JAMES LOUGHEED moved:

That from and inclusive of to-day, and until the end of the session, Rules 23f, 24a, b, d, e, and h, 63, 119, 129, 130, and 131 be suspended in so far as they relate to the Public or Private Bills.

Hon. Mr. BOSTOCK: I would ask my honourable friend if, as there is really nothing for us to do, he could not postpone this motion until Tuesday or Wednesday?

Hon. Sir JAMES LOUGHEED: We may find this necessary to apply to the Grand Trunk Bill when it comes in.

Hon. Mr. BOSTOCK: But that has not yet come before us, and it cannot be introduced until Tuesday evening. If we pass this motion now it goes into effect at once, I understand.

Hon. Sir JAMES LOUGHEED: Not necessarily. I cannot see any reason why the motion should not pass.

Hon. Mr. CLORAN: We adjourn until Tuesday.

Hon. Sir JAMES LOUGHEED: At the end of every session, as is well known, if there is any private Bill legislation before us, it is very desirable that it should be accelerated in every possible way; and the same would apply to public Bills. The public Bills that will be before us are well known and I shall see that this motion is not subject to any abuse.

Hon. Mr. POWER: There is a question which suggests itself to me. Unless I am mistaken, I have seen it stated in the press that the daylight saving law goes out of operation on Sunday, the 26th, and the question is under what time we shall meet on Tuesday?

Hon. Mr. McSWEENEY: New time.

Hon. Sir JAMES LOUGHEED: Of course, there is no statutory daylight saving law in operation. We have simply adapted our meeting to the railway time. I do not know when the railways change their time.

Hon. Mr. McSWEENEY: I think they change on Sunday night at 12 o'clock.

Hon. W. B. ROSS: Every train is put back one hour.

Hon. Sir JAMES LOUGHEED: Then I would suggest that we meet on railway time.

The motion was agreed to.

PATENTS OF INVENTION BILL.

FURTHER CONSIDERED IN COMMITTEE—THIRD READING.

The Senate again went into Committee on Bill 25, an Act respecting Patents of Invention. Hon. Mr. Thompson in the Chair.

On section 3—saving rights of persons who have used, etc., invention while patent was void:

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, the phraseology of this Bill warrants me in saying that it is entirely governed by war conditions, or what was done in pursuance of Orders in Council passed under the War Measures Act, and that it is not intended to depart from the well-established principles or practice which we have been observing in relation to the renewal of patents requiring a special or a private Bill, in cases where there has been a lapse of time owing to non-payment, or in the exercise of the manufacturing rights.

Hon. Mr. BOSTOCK: A question was raised with regard to the saving rights in clause 3. Has my honourable friend looked into that?

Hon. Sir JAMES LOUGHEED: Yes. There are two kinds of conditions dealt with in section 3. One is governed by the preceding sections, and the other conditions are those which have arisen in pursuance of certain things done under Orders in Council passed under the War Measures Act. This Bill deals entirely with conditions that have arisen during the war, and it in no way entrenches upon the practice

which has been observed under the Patents Act generally.

Hon Mr. BOSTOCK: But the conditions that are provided for under this clause would appear to be somewhat different from the conditions that are usually provided for in the patent law.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: It has been found necessary to arrange it in this way?

Hon. Sir JAMES LOUGHEED: Yes. I have gone into the matter carefully with the Minister of Justice. There are some consequential amendments. At page 2, line 4, strike out the word "last" and substitute the word "sections" for the word "section."

The amendment was agreed to.

Hon. Sir JAMES LOUGHEED: I move that the words "any such" be substituted for the word "his" in line 22.

The amendment was agreed to.

Hon. Sir JAMES LOUGHEED: I move that after the word "order," in line 23, the following words be added: "heretofore or hereafter made."

The amendment was agreed to.

Section 3 as amended was agreed to.

Sections 4 and 5 and the preamble and title were agreed to.

The Bill was reported as amended, read the third time and passed.

OPIUM AND DRUG BILL.

CONSIDERED IN COMMITTEE—THIRD READING.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 34, an Act to amend the Opium and Drug Act. Hon. Mr. McMeans in the Chair.

Hon. Sir JAMES LOUGHEED: Section 1 requires that a license shall be taken out for the import or export of opium.

I desire to amend the Bill by adding another section:

2. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Hon. Mr. BOSTOCK: Did my honourable friend look into the question which I raised as to the form of the Bill?

Hon. Sir JAMES LOUGHEED: Yes. I sent for Mr. Gisborne, Parliamentary Counsel, who informed me that this is not a unique form of drafting, but that it has been followed on other occasions. The particular clause in the Bill does not fit into any clause in the present Opium Bill; but, upon the revision of the statutes, when they are consolidated, this provision will be properly inserted. The same thing was done, I am told, in the cases of the Election Act and several other Acts.

The Bill as amended, was reported, read the third time and passed.

MEAT AND CANNED FOODS BILL.

CONSIDERED IN COMMITTEE—THIRD READING.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 35, an Act to amend the Meat and Canned Foods Act. Hon. Mr. Pope in the Chair.

On section 1—dry lobster meat and dry meat:

Hon. Mr. BOSTOCK: Can my honourable friend say what is the meaning of the word "processed" in the 9th line?

Hon. Sir JAMES LOUGHEED: I suppose it means having gone through a certain process by which the liquid is extracted from the meat.

Hon. Mr. McSWEENEY: It has nothing to do with increasing the weight?

Hon. Sir JAMES LOUGHEED: You will have dry meat instead of liquid.

Section 1 was agreed to.

Sections 2, 3 and 4 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment, read the third time and passed.

FRASER RIVER SALMON FISHERIES.

APPROVAL OF CONVENTION.

The Senate proceeded to the consideration of the message from the House of Commons requesting the Senate to unite with that House in passing the following resolution:

Resolved by the House of Commons:

That it is expedient that Parliament do approve of the Convention between His Majesty and the United States of America providing effective measures for the protection, preservation and propagation of the salmon fisheries of the Fraser River system, which was signed at Washington on the second day of September, one thousand nine hundred and nineteen, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same."

and requesting that their Honours will unite with this House in the said resolution by filling up the blank therein with the words "Senate and."

Hon. Sir JAMES LOUGHEED: I beg to move, seconded by Hon. Mr. Poirier:

That the Senate unite with the House of Commons in the said resolution, by filling up the blank therein with the words, "Senate and"; and that a message be sent to the House of Commons accordingly.

This is a treaty which has recently been entered into between His Majesty and the United States of America providing effective measures, as set out in the resolution, for the protection, preservation, and propagation of the salmon fisheries of the Fraser river system. It provides that the Federal Governments of Canada and of the United States—not the state of Washington, as heretofore—will be responsible for the enforcement of the regulations under it. A commission to be known as the International Commission, consisting of four persons, two from each country, shall be appointed, who shall conduct investigations into the life history of the sockeye salmon, hatchery methods, spawning grounds, and other related conditions; and who will recommend for the consideration of the two Governments any modifications in the regulations that experience under them or knowledge gained may indicate as desirable. Other species of salmon may be brought within the scope of the regulations later on by consent of both Governments. The treaty shall remain in force for fifteen years, and thereafter for two years after either party gives notice to the other of its wish to withdraw from it.

Hon. Mr. BOSTOCK: This matter is one that peculiarly affects the Pacific coast. I think that the Government are to be complimented for having brought about this treaty, and I hope that we shall see better results from it than we have seen from some that have formerly been made. There have been, I think on two occasions, arrangements for treaties made between this country and the United States for the purpose of dealing with this fishery question; but, so far as I know, they have had no practical results. The difficulty has been that some of those interested in fishery matters in the United States have been able to hold up the legislation that was necessary to put the treaty into force, and consequently there has been no practical effect from the arrangements entered into.

The question of the salmon fisheries, as the honourable gentleman from New Westminster (Hon. Mr. Taylor) very well knows, is a very serious one in British Columbia. The salmon in the Fraser river have been decreasing very rapidly for a number of years, and in the interest of Canada, and also of a certain section of the United States, it is most important that something should be done to enable the salmon to increase their numbers. I notice that the department has recommended that steps should be taken to inquire into the condition of the Fraser river in the interior of the country, because it seems to be feared that certain parts of the banks of the river may be falling into the water, and in that way interfering with the fish in getting up into the spawning grounds in the higher portions of the river.

I understand that considerable fishing is done in United States waters by men who are using what are called the purse-seines. If there is opposition to the treaty when it goes before the Senate in Washington, and if these gentlemen are again successful in opposing the treaty, as was the case when it came up in Olympia, in the state of Washington, I presume the Government will take some steps to see that the recommendations regarding the banks of the Fraser river in the higher reaches shall be attended to, so that the fish that escape the purse-seines will have a better chance of getting to the spawning grounds.

The motion was agreed to.

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

THE SENATE.

Tuesday, October 28, 1919.

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

Prayers and routine proceedings.

DIVORCE BILL.

SECOND AND THIRD READINGS.

Bill E, an Act for the relief of John Robert Stephenson Carson.—Hon. Mr. Nicholls.

EXCHEQUER COURT BILL.

FIRST READING.

Bill 30, an Act to amend the Exchequer Court Act.—Hon. Sir James Lougheed.

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

THE SENATE.

Wednesday, October 29, 1919.

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

Prayers and routine proceedings.

GRAND TRUNK RAILWAY ACQUISITION BILL.

INQUIRIES.

On the Orders of the Day:

Hon. HEWITT BOSTOCK: I wish to read to the House a telegram which I have received from the Commissioner of the Regina Board of Trade, and which reads as follows:

We respectfully submit the following resolution duly passed by the council of the Regina Board of Trade:

That, in the opinion of the Council of the Regina Board of Trade, the best interests of Canada will be served by deferring final action on Bill No. thirty-three, known as the Act respecting the Acquisition of the Grand Trunk Railway, until announcement is made of the permanent policy of the Government relative to the management of the National Railways and the opinion of the people has been ascertained in regard thereto;

And that a copy of this resolution be forwarded to Sir George Foster, Acting Premier, Hon. Mackenzie King, Hon. Senator Sir James Lougheed, Hon. Senator Bostock, and W. D. Cowan, M.P., Ottawa.

I thought it right to place this before the House, and would ask my honourable friend if he can give us any information as to any similar resolution having been forwarded to him.

Hon. Sir JAMES LOUGHEED: Oh, yes; I received a resolution similar to that. It has not perturbed me very much, though.

Hon. Mr. CASGRAIN: Were there any telegrams exchanged yesterday, or the day before, between the Montreal Board of Trade and the honourable leader of the House?

Hon. Sir JAMES LOUGHEED: Yes. The president of the Montreal Board of Trade telegraphed me that a delegation was desirous of coming up to address the senators. He telegraphed me also to-day that it was inconvenient for them to come as indicated yesterday. Senators in their individual capacity may possibly have an opportunity of listening to the Montreal Board of Trade on the subject.

Hon. Mr. DANDURAND: Have they asked for a date that would be convenient for the Senate?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: And no date has been fixed?

Hon. Sir JAMES LOUGHEED: No. I have suggested—

Hon. Mr. BOYER: Six months hence?

Hon. Sir JAMES LOUGHEED: —that it might be desirable for them to wait until the Bill comes into the Senate; that then we shall see what its contents are, and, I am sure, individual senators will be very glad to have their comments upon the Bill.

THE PEACE TREATY WITH AUSTRIA.

RESOLUTION OF APPROVAL.

The Senate proceeded to consider a message from the House of Commons requesting the Senate to unite with that House in passing the following resolution:

Resolved by the House of Commons:

That it is expedient that Parliament do approve of the Treaty of Peace between the Allied and Associated Powers and Austria, signed at St. Germain on the tenth day of September, one thousand nine hundred and nineteen, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.

Hon. Sir JAMES LOUGHEED: I beg to move, seconded by Hon. Mr. Robertson:

That the Senate unite with the House of Commons in the said resolution by filling up the blank therein with the words, "Senate and"; and that a message be sent to the House of Commons accordingly.

The Austrian Treaty is substantially the same as the German Treaty, of which we have approved.

Hon. HEWITT BOSTOCK: Of course, we all desire to join in this resolution and are very glad to know that this Treaty has been signed on behalf of the Canadian Government by the Hon. Sir A. E. Kemp. On this occasion, apparently, it was necessary to have only one plenipotentiary to sign the Treaty, in place of the two who signed the Treaty with Germany. The terms of this Treaty seem to be very much the same, except that of course there are clauses dealing with certain matters which affect Austria and which did not in the same way affect Germany.

There is the further question of the labour situation. I understood that under this Treaty there was to be held at Washington this week an International Labour Conference, but I see my honourable friend the Minister of Labour here. I thought he was going to take part in that meeting. Perhaps he can give us some explanation as to what is being done with regard to it. I think we are all interested to know what steps have been taken towards carrying out the arrangement reached under this Treaty and the former one, for the purpose of dealing with labour questions.

Hon. Mr. ROBERTSON: In reply to my honourable friend's inquiry, I may state that the International Labour Conference was called to meet in Washington at 12 o'clock noon to-day. I have reason to think that the business of the convention may not be proceeded with for a few days, by reason of the fact that the delegates coming from Germany and from Austria will not arrive in Washington until November 4, and I felt that perhaps it was not entirely necessary that I should be in Washington, at least until that date.

The motion was agreed to.

EXCHEQUER COURT BILL.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 30, an Act to amend the Exchequer Court Act.

He said: Honourable gentlemen, it is proposed to give the Exchequer Court exclusive jurisdiction in the hearing and determination of questions of enemy debts, as provided for in the Treaty of Peace. The Exchequer Court is logically the proper court to determine questions of this kind.

Hon. J. P. B. CASGRAIN: Now that you are extending the duties of the Exchequer Court, would not this be a good time to give that court jurisdiction to deal also, for instance, with the purchase of railroads by the Government?

Hon. Sir JAMES LOUGHEED: I think the Exchequer Court has that jurisdiction now.

Hon. Mr. CASGRAIN: There is a very good law which was, I think, introduced in the Senate many years ago by the honourable member from De Salaberry (Hon. Mr. Béique), and which has been found to be very useful in cases where railways are insolvent or in difficulties. It provides that the Exchequer Court shall have powers similar to those of the High Court of Justice in England, and the judgment of the Exchequer Court has the same force and effect as an Act of Parliament. A railway company that is in difficulties may apply to the Exchequer Court, and that court arranges everything as to the creditors, the stock, etc. I do not want to anticipate any discussion that may take place in this House, but when we are dealing with a Bill respecting the jurisdiction of the Exchequer Court it would be well to amend it by adding the provision that when railroads are to be purchased the Exchequer Court shall be the arbitrator.

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

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

THE SENATE.

Thursday, October 30, 1919.

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

Prayers and routine proceedings.

CIVIL SERVICE BILL.

REPORTS OF SPECIAL COMMITTEE.

Hon. Mr. WILLOUGHBY presented the second and third reports of the special committee to which was referred Bill No. 18, entitled an Act to amend the Civil Service Act, 1918.

It was ordered that the reports be taken into consideration at the second sitting on Monday next.

GRAND TRUNK RAILWAY.

THE GOVERNMENT CLAIMS.

Hon. Mr. CASGRAIN inquired of the Government:

What is the amount the Government claims the Grand Trunk Railway system owes them?

Hon. Sir JAMES LOUGHEED: I was promised that information for to-day, but it has not come down from the Railway Department yet. I will have it here at the next sitting of the House.

Hon. Mr. CASGRAIN: By leave of the House, I may say that I have been reading the Hansard of another place, and I find that that question has been asked over and over again and nobody there has been able to answer it. So I do not blame the honourable leader of the Government. I know it is not his fault.

Hon. Sir JAMES LOUGHEED: Of course, if my honourable friend is asking an impossible question, he will have to excuse me from bringing down an answer to it.

LINES IN THE UNITED STATES.

Hon. Mr. BOSTOCK inquired of the Government:

What are the names of the railroads included in the Grand Trunk system exclusively incorporated under the laws of the United States of America?

What is the amount of stock, giving its various classes of each of these railways?

What is the amount of the bonds, debentures, notes, and other indebtedness under their various classifications of each of the railroads?

What is the amount of the above shares and securities of each of the railroads in the hands of the public and of the Grand Trunk railway respectively, giving details?

What dividends have been paid on the shares and securities respectively during the last five years?

Hon. Sir JAMES LOUGHEED: The information desired by my honourable friend is given on the sheet hereto attached.

Subsidiary Railroad Companies of Grand Trunk Railway System incorporated exclusively in the United States.

Name of Railway.	Capital Stocks. Class.	Capital Stocks. Par Value o/s.	Bonds, Debentures. Class.	o/s Interest Rate.	Par Value o/s.	Par Value owned by G. T. Ry. System.	Dividends. 1914.	1915.	1916.	1917.	1918.
		$			$ cts.	$ cts.	p.c.	p.c.	p.c.	p.c.	p.c.
Grand Trunk Western Ry. Co	Common	6,000,000				6,000,000 00					
" "			1st mortgage bonds	4	14,999,720 00	4,035,304 00	4	4	4	4	4
" "			General cons. mortgage bonds	4	11,541,000 00	11,541,000 00	4	4	4	4	4
" "			Indebtedness	Various.	2,032,169 17	2,032,169 17	At interest rate of indebtedness.				
Grand Trunk Junction Railway	Common.	800,000				800,000 00					
" "			1st mortgage bonds	5	3,872,000 00	3,933,040 00	5	5	5	5	5
Detroit, Grand Haven & Milwaukee Ry	Common.	1,500,000				1,500,000 00					
" " "			Equipment mortgage bonds	6	1,999,000 00	39,000 00	6	6	6	6	6
" " "			Consolidated mortgage bonds	6	3,200,000 00	398,800 00	6	6	6	6	6
" " "			Mortgage on land	5	146,000 00	146,000 00	5	5	5	5	5
" " "			Indebtedness	Various.	1,096,135 75	1,096,135 75	At interest rate of indebtedness				
Toledo, Saginaw & Muskegon Ry	Common.	1,600,000				1,600,000 00					
" " "			1st mortgage bonds	5	1,662,000 00	1,662,000 00					
Pontiac, Oxford & Northern Ry	Common.	1,000,000				1,000,000 00					
" " "			1st mortgage bonds	6	400,000 00	400,000 00	6	6	6	6	6
Detroit & Huron Ry	Common.	148,000				148,000 00					
Chicago, Detroit & Canada G. T. Junc. Ry	"	1,098,000				521,281 00	4	4	4	4	4
" " "			1st mortgage bonds	6	1,095,000 00	1,095,000 00					
" " "			Special bond	5	691,141 46	691,141 46					
Muskegon Air Line	Common.	300,000				300,000 00					
" "			1st mortgage bonds	5	1,500,000 00	1,500,400 00					
Cincinnati, Saginaw & Mackinaw Ry	Common.	1,500,000				27,761 71	$2\frac{3}{4}$	$2\frac{3}{4}$	$2\frac{3}{4}$	$2\frac{3}{4}$	$2\frac{3}{4}$
Bay City Terminal Ry	"	15,000				15,000 00					
" "			Indebtedness	5	458,844 59	458,844 59					
Grand Rapids Terminal Ry	Common.	50,000				50,000 00					
" "			Indebtedness	5	574,098 91	574,098 91			5	5	5
Detroit Terminal Ry	Common.	2,000,000				1,000,000 00					
" "			Indebtedness	5	323,044 28	126,522 14	5	5	5	5	5
Detroit & Toledo Short Line	Common.	1,420,000				713,700 00					
" "			1st mortgage bonds	5	3,000,000 00	662,000 00	5	5	5	5	5
Chicago & Kalamazoo Inc. Ry	Common.	100,000				100,000 00					
G. T. Milwaukee Car Ferry	"	200,000				200,000 00					
" "			Gold bonds	$4\frac{1}{2}$	67,000 00		$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$
" "			Gold notes	$4\frac{1}{2}$	30,000 00		$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$	$4\frac{1}{2}$
Central Vermont Ry	Common.	3,000,000				2,191,100 00					
" "			1st mortgage bonds	4	11,750,000 00	1,633,300 00	4	4	4	4	4
" "			Other indebtedness		Not available.						
Atlantic St. Lawrence Ry	Common.	5,484,000				200 00	6	6	6	6	6
" "			1st mortgage bonds	6	1,500,000 00	1,500,000 00					
" "			2nd mortgage bonds	6	713,000 00	713,000 00					

" "			3rd mortgage bonds	6	787,000 00	787,000 00					
" "			Island Pond debentures	6	438,000 00	438,000 00					
Lewiston & Auburn Ry	Common.	300,000					6	6	6	6	6
United States & Canada Ry.	"	230,000				218,925 00					
" " "			1st mortgage bonds	5	225,000 00	225,000 00					
" " "			2nd mortgage bonds	5	208,470 00	208,470 00					
Champlain & St. Lawrence Ry.	Common.	50,000				50,000 00					
Vermont & Providence Line	"	200,000				200,000 00					
Total par value capital stock		$26,700,000									
Total par value of bonded and other indebtedness					$64,319,024 16						
Total par value held by the Grand Trunk Railway system						$51,332,193 73					
Total par value held by the public						39,686,830 43					
						$91,019,024 16					

THE CANADIAN EXPRESS COMPANY.

Hon. Mr. NICHOLLS inquired of the Government:

Is the Canadian Express Company one of the subsidiaries of the Grand Trunk railway, and is it included in the proposed purchase?

Hon. Sir JAMES LOUGHEED: Yes.

THE ADDRESS IN REPLY.

ACKNOWLEDGMENT OF HIS EXCELLENCY THE GOVERNOR GENERAL.

The Hon. the SPEAKER presented the following message from His Excellency the Governor General:

Devonshire.

Honourable Gentlemen of the Senate:

I have received with great pleasure the Address that you have voted in reply to my speech at the opening of Parliament, and thank you for it sincerely.

Government House,

Ottawa, October, 1919.

EXCHEQUER COURT BILL.

CONSIDERED IN COMMITTEE—THIRD READING.

On motion of Hon. Sir James Lougheed, the Senate went into committee on Bill 30, an Act to amend the Exchequer Court Act. Hon. Mr. Nicholls in the Chair.

On subsection 1 of section 1—exclusive jurisdiction of Exchequer Court extended to enemy debts, etc.:

Hon. Mr. POWER: Perhaps the honourable leader of the House will just tell us briefly what this means.

Hon. Sir JAMES LOUGHEED: This is to give jurisdiction to the Exchequer Court to hear such claims or demands as may arise out of the Peace Treaty between Canada and the different enemy countries.

Hon. Mr. BELCOURT: Of course, it does not refer to national disputes, but disputes in regard to subjects only?

Hon. Sir JAMES LOUGHEED: Yes, in regard to subjects.

Hon. Mr. BELCOURT: What are the claims referred to?

Hon. Sir JAMES LOUGHEED: Debts. They are all in the nature of debts. Under section 3 of the Treaty, article 296, it is provided:

There shall be settled through the intervention of clearing offices to be established by each of the High Contracting Parties, within three months of the notification referred to in paragraph e hereafter, the following classes of pecuniary obligations:

(1) Debts payable before the war and due by a national of one of the contracting powers, residing within its territory, to a national of an opposing power, residing within its territory.

(2) Debts which became payable during the war to nationals of one contracting power residing within its territory and arose out of transactions or contracts with the nationals of an opposing power.

It goes on to mention specifically the many classes of claims which may arise between different nationals. Of course, some tribunal must have authority or jurisdiction to hear and determine those claims. It is therefore proposed that this authority should be given to the Exchequer Court.

Hon. Mr. BELCOURT: I do not remember having seen any sanction in the Treaty of Peace. Supposing that such claims are referred to the Exchequer Court, and the Exchequer Court finds that a subject of Canada has a claim against Germany for so much. What sanction will there be? How will that judgment be enforced? What is the international provision whereby effect will be given to it? Perhaps my honourable friend has not had an opportunity of looking it up.

Hon. Sir JAMES LOUGHEED: Unless it would come under this clause:

The Allied and Associated Powers who have adopted this Article and the Annex hereto may agree between themselves to apply them to their respective nationals established in their territory so far as regards matters between their nationals and German nationals. In this case the payments made by application of this provision will be subject to arrangements between the Allied and Associated clearing offices concerned.

I fancy it will have to be worked out by mutual arrangement between the conflicting interests as to the claims which may be sought to be enforced. Has my honourable friend a copy of the Peace Treaty?

Hon. Mr. BELCOURT: I have not, unfortunately.

Hon. Sir JAMES LOUGHEED: I presume that the judgment of the court, subject to the clearing machinery which must necessarily be established between this country and the enemy country, or the enemy nationals, will be given effect to. I cannot say with exactitude how it will be done.

Hon. Mr. BOSTOCK: This will not put the Exchequer Court in the position of acting as the clearing office referred to in the treaty.

Hon. Sir JAMES LOUGHEED: I would not think so. This is intended only to give the Exchequer Court jurisdiction to hear and determine those cases.

Hon. Mr. BELCOURT: Paragraph c of Article 296 says:

The sums due to the nationals of one of the High Contracting Parties by the nationals of an opposing state will be debited to the clearing office of the country of the debtor, and paid to the creditor by the clearing office of the country of the creditor.

That is the way it will work out.

Hon. Sir JAMES LOUGHEED: Yes. The whole thing will be done in the aggregate between the two countries.

Subsection 1 of section 1 was agreed to.

Subsection 2 of section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment, read the third time and passed.

The Senate adjourned until Monday, November 3, at 11 a.m.

THE SENATE.

Monday, November 3, 1919.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

GRAND TRUNK RAILWAY ACQUISITION BILL.

REPRESENTATIONS FROM BOARDS OF TRADE.

On the Orders of the Day:

Hon. HEWITT BOSTOCK: I should like to ask the leader of the Government what is the object of the notice which I have in my hand of the calling of the Railway Committee to-morrow morning at 10 o'clock. The other day, in answer to a question, the leader of the Government said that possibly it might be desirable to grant an interview to the Montreal Board of Trade, which, I think, had asked for an opportunity to present its opinion before the Senate. Has this meeting of the committee anything to do with that?

Hon. Sir JAMES LOUGHEED: It is for the purpose of giving to the Montreal Board of Trade, and likewise to the Toronto Board of Trade an opportunity to address the committee and such senators as may attend, upon the Grand Trunk Bill. It is probably the only opportunity that will be afforded to any outside party to appear before the committee, inasmuch as when the Bill comes before this Chamber, as we expect to-morrow morning, I presume the House will continue in session upon the Bill until it is disposed of.

Hon. Mr. BOSTOCK: If there should be a large number of gentlemen coming, would it not be advisable to hold the meeting of the committee in this Chamber?

Hon. Sir JAMES LOUGHEED: Not if it interferes with the sittings of the House.

Hon. Mr. McSWEENEY: Have you given notice to the Boards of Trade?

Hon. Sir JAMES LOUGHEED: Yes.

PUBLIC PRINTING.

THE AGRICULTURAL GAZETTE.

Hon. Mr. POPE (for Hon. Mr. Dennis) moved concurrence in the first report of the Joint Committee of both Houses on the printing of Parliament.

Hon. Mr. POWER: I am a member of the committee, and am not opposed to the report; but, as this is probably the last occasion when the subject of the printing of Parliament will be before us this session, I wish to call attention to one particular publication which I think should be discontinued. I refer to a monthly pamphlet issued by the Department of Agriculture. It is printed on thick paper and has numerous illustrations—it is a very expensive publication. That might be tolerated if the thing itself were of practical value; but I am satisfied that any honourable gentleman who has been in the habit of looking over it, unless he has looked at it from a scientific or professional point of view, will not feel that it is of any value to the farmers of this country. I have on more than one occasion thought of sending copies to farmer friends of mine, but I could not see that there was anything in what one might call the magazine that would be of any value or interest to practical farmers; and I think the printing and distributing of this document is an utter waste of money. The King's Printer, or the minister who is in charge of the Printing Department, has the power, I think, to discontinue the printing and distribution of this pamplet.

Hon. W. B. ROSS: Does the honourable gentleman refer to the Agricultural Gazette?

Hon. Mr. POWER: Yes.

Hon. W. B. ROSS: One would hardly call that a pamphlet. I think the honourable gentleman is taking the wrong view. I admit what he says about the value of the Gazette to the average farmer; but it is really the organ of the agricultural

stations, and I am not sure but that the publication of that paper is the cheapest way in which the agricultural stations can exchange their views, keep up their organization, avoid duplication, and, in the long run, save themselves a great deal of correspondence.

There is one thing appearing in the Agricultural Gazette that is of value to the practical farmer, that is, the notes which honourable gentlemen will find at the end. At one time the notes of the International Institute of Agriculture, which has headquarters in Italy, were published separately. Now we get a short summary, taken from the journal of this institute dealing with anything new or important in the agricultural line, which is very valuable. I do not think you can drop the Agricultural Gazette and save any money; you would certainly lose a good deal, particularly among the agricultural stations.

Hon. Mr. RATZ: Has my honourable friend any idea how many copies of these Agricultural Gazettes go to the farmers? In my section of the country I have not yet discovered one farmer who gets it. I get a copy occasionally, and hand it to any farmer I happen to meet, but I think very few go to the farmers. If this publication does not reach the farmers it cannot be of much benefit to them.

Hon. W. B. ROSS: Probably not many do go to the farmers, but they go to the Government officials and to all who are working at the agricultural stations carrying on experiments.

Hon. Mr. POWER: I am not surprised that the honourable gentleman from Middleton should undertake to defend the printing and publication of this Agricultural Gazette, because the honourable gentleman is a scientific farmer, and is not like nineteen out of twenty of the farmers throughout the country. I am satisfied that, as the honourable gentleman behind me (Hon. Mr. Ratz) has said, the practical farmers either do not receive this Gazette, or, if they do get it, do not read it. I am not much of a farmer myself and am not personally interested in the matter.

The motion was agreed to.

CIVIL SERVICE BILL.

REPORTS OF SPECIAL COMMITTEE.

Hon. Mr. WILLOUGHBY moved concurrence in the second report of the special committee to whom was referred Bill 18, an Act to amend The Civil Service Act, 1918.

The motion was agreed to.

Hon. Mr. WILLOUGHBY moved concurrence in the third report of the same committee.

He said: Honourable gentlemen, the Bill with which we are dealing has had its third reading in the House of Commons. The recommendation set out in this third report is that the Commons reconsider the question if it deems it desirable to do so. This certainly involves a money grant, and we would be offending under Rule 70 of this House if, without a recommendation from the King's representative, we attempted to make a money grant, or recommended it. But it was the sense of the committee that the Bill, instead of becoming effective on the first of April next, should have been made retroactive to the first of April last, in accordance with what we believed to be the understanding of representative committees that appeared before us. We realized, too, the practical difficulty of working this out, the Bill having passed the third reading in the Lower House. Without being an authority on bicameral procedure in Parliament, I presume that another Bill would have to be brought in to make the appropriation necessary, if this recommendation were adopted. That view may not be shared by other members; but we felt it was desirable in any event that the uncontested portion, that is, the second report, should be adopted, so that nothing might interfere with the prompt passage of the Bill by Parliament, and that this question should be presented in a separate report.

Hon. Mr. POWER: I rise to a question of order. Referring to our Minutes, I find that the second report of the committee, which we have just undertaken to pass, was placed on the Orders of the Day for consideration "at the second sitting of the Senate on Monday next," and the report the adoption of which the honourable gentleman (Hon. Mr. Willoughby) has moved is in a similar position; it was placed on the Orders of the Day for consideration at the second sitting of the Senate on Monday. So I think the honourable leader of the House had better move to have the two items stand over until our next meeting. We cannot consider them now, because it would be unfair to gentlemen who are not here and who would perhaps take part in the discussion.

Hon. Sir JAMES LOUGHEED: This would involve our rescinding the motion which has just been passed, adopting the

second report. I am quite content that these matters should stand until the next sitting. I do recall the fact that they were put down for consideration at the second sitting to-day. So it will be necessary for us to rescind that motion, inasmuch as it was made in error, and to put these items down for consideration at the next sitting of the House.

Hon. Mr. POWER: Our rule with respect to rescinding makes an exception in favour of the correcting of errors. You can always rescind for that.

On motion of Hon. Sir James Lougheed, the motion adopting the second report of the committee was rescinded, and it was ordered that the consideration of the two reports be placed on the Order Paper for the next sitting of the Senate.

On the motion to adjourn:

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I am disappointed that the Grand Trunk Bill is not before us this morning, as was anticipated; nor is there any probability of our receiving it to-day. It is confidently felt that it will pass the House of Commons to-day and be before us to-morrow. I would therefore move the adjournment of the House until to-morrow morning.

The motion was agreed to, and the Senate adjourned until to-morrow at 11 a.m.

THE SENATE.

Tuesday, November 4, 1919.

First Sitting.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

IMMIGRATION TO CANADA.

DISCUSSION.

Hon. Mr. CASGRAIN gave notice:

That to-morrow he will inquire of the Department of Marine and Fisheries:

1. Is the department aware of the arrival in Canada of the under-mentioned steamers, each carrying a large number of steerage passengers:

October 24, 1919, the Grampian; number of steerage passengers, 708;

October 24, 1919, the Metagama; number of steerage passengers, 962.

October 24, 1919, the Melita; number of steerage passengers, 1,211.

October 28, 1919, the Megantic; number of steerage passengers, 978.

October 28, 1919, the Empress of France; number of steerage passengers, 939.

2. How many of these steerage passengers are new immigrants; that is, how many are persons who did not live in Canada before?

3. Is it the policy of the Government to encourage immigration to Canada at present?

4. Is the Government, like the United States of America, willing to check immigration until industrial conditions become normal?

He said: If the honourable leader of the House has no objection, I will add a few words. I may say this inquiry was sent to me from Quebec. I understand that all these steamers have arrived in Quebec. The passengers, as you will observe, number nearly 5,000. This inquiry was sent to me from Quebec because the officials down there who have to look after immigrants never expected so large an inflow to arrive so soon, and they really do not know what to do with these people or where to advise them to go. The person who sent this inquiry to me is the head of a large immigration society in Quebec.

Since the war we have been trying to solve the problem of providing work for returned men. Is it wise to allow so many immigrants to come to Canada at the present time? Of course, it is at the port of embarkation that action should be taken; it is of no use to turn people back after they arrive here. The United States some months ago—I think the Minister of Labour will bear me out—decided not to allow any immigration for a certain period of time; I do not know for exactly how long. Therefore the whole flow of unemployed from Europe is likely to come to our shores. I think it would be well to have these inquiries answered as soon as possible, and I am sure the honourable leader of the Government has no objection to the suspension of the rules of the House for a few minutes while this very important question is discussed. We are not pressed with work this morning and we might profitably spend a few minutes on this urgent matter. I might have brought it up before the Orders of the Day instead of making it an inquiry, but perhaps it would be as well to ascertain what the Government intends to do about it and whether or not it is the sense of the majority of this House that it is advisable at this season to allow such a large influx of unemployed to come to Canada looking for work.

Hon. Sir JAMES LOUGHEED: My honourable friend seems to presuppose that the volume of arrivals coming into this country is made up of immigrants. My own impression is that these people are chiefly soldiers' dependents who are returning from Europe and who belong to Can-

ada. It is well known that nearly all the steamships arriving at eastern ports for many months past have been practically filled with soldiers' dependents returning particularly from England. Consequently it would be impossible to discuss this question intelligently without having the information that my honourable friend asks for, and no good purpose would be served by discussing it upon a hypothetical basis. I shall be very glad to obtain from the Minister of Immigration the information which my honourable friend seeks.

CIVIL SERVICE RECLASSIFICATION.

INQUIRY.

Hon. Mr. LEGRIS inquired of the Government:

1. On what date was the classification now submitted to this House for adoption, together with Bill No. 18 of the House of Commons, completed?
2. Are the experts of the Arthur Young & Company, of Chicago, still in the employ of the Canadian Civil Service Commission?
3. How many of those experts are still working for our Civil Service Commission, and what are the salaries paid to each one of them?
4. Have the Arthur Young Company or any one of the experts employed by our Civil Service Commission sent any account for overtime work? In the affirmative, on what rates has such bill been based for overtime work?
5. Now that the classification has been ended and submitted to Parliament for adoption, what is the nature of the work in which these said experts are now engaged?
6. Have the Government the intention of soon dispensing with the services of those American experts?
7. What is the total cost, up to date, of the whole expertise and re-classification of Civil Service in Canada?

Hon. Sir JAMES LOUGHEED:

1. The revised classification on September 3, 1919.

2. Yes.

3. On classification work, five, with one man half time; on printing work, one. The Government of Canada does not pay salaries to the individual members of the staff. The firm of Arthur Young & Company is paid a certain fee for performing the work, and that firm assumes responsibility for getting out the work and to that end assigns certain members of its staff whom it holds responsible.

4. The firm of Arthur Young & Company has rendered accounts for overtime work. The rate for such overtime work is $3 per hour.

5 The work now consists of fitting of the classification to the individual positions by departments. This work is done in consultation with the various branch heads and is all subject to the approval of the deputy minister. Such classifications as may not be approved by the deputies are referred to the Civil Service Commission and by it to the Board of Hearing for adjudication.

6. When the work for which they have been engaged has been completed the services of the firm of Arthur Young & Company will terminate.

7. Total cost of classification to July 31, 1919, exclusive of printing and stationery, $60,013.89.

THE BUSINESS OF PARLIAMENT.

On the Orders of the Day:

Hon. F. L. SCHAFFNER: Honourable gentlemen, if I am in order I would like to call the attention of this House and of Parliament to a grievance which in my humble opinion is becoming unbearable; that is, the fact that real business is done in only three days out of seven. It is absolutely unfair to the members who come here from a distance and remain here from the opening to the close of the session. It is due to the fact that Ontario and Quebec members in both Houses insist on going home on Friday, sometimes even on Thursday, returning for business on Tuesday. We have never had a better illustration of this than with regard to the Bill which is now before the House of Commons. We are not permitted to criticise the House of Commons, I know. Nevertheless they criticise us and sometimes call us very bad names. I am simply making what I believe to be a fair and just criticism of Parliament. The Grand Trunk Bill, undoubtedly, would have passed the House of Commons on Friday—

Hon. Mr. CASGRAIN: No, no; it will never go through without the closure.

Hon. Mr. SCHAFFNER:—and would have been in this House on Monday, had it not been for the fact that some members wanted to go home. I have no objection to members going home, but not only is this delay a disadvantage to the members of the two Houses, but it also adds very much to the expense of Parliament at a time when the people of this country are trying to economize.

I do not know what can be done, or whether anything at all can be done. The situation is so serious that one of the members from Quebec in the other House criticised very severely his own colleagues, members of the Opposition, because, having gone away on Friday and returned on Tues-

day, they wanted all the information that had been given during their absence repeated. We have observed the same thing here. The member became dissatisfied, and rightly so.

I say again that this practice is unfair, and I would suggest to the honourable gentleman who some time ago made splendid suggestions as to the improvement of the Cabinet and of Parliament that he should call a meeting of the committee and try to have this difficulty overcome.

So far as the Grand Trunk Bill is concerned, I am not going to discuss that; I will keep in order; but I have not yet heard any very good reason why we should have had that Bill at all. We came to this session for a specific purpose, the approval of the Peace Treaty, and a promise was made that prohibition legislation would also be taken up. I want now to suggest, if I may, with all due respect to the honourable leader of this House, that when that Bill does come here he will keep us in session, morning, afternoon and night, every day, including Saturday, and, if necessary, Sunday.

Hon. Mr. CASGRAIN: I object to working on Sunday.

Hon. Mr. SCHAFFNER: You will go home, anyway.

CIVIL SERVICE SUPERANNUATION.

THE CASE OF THE LATE MR. LEMIEUX.

On the Orders of the Day:

Hon. Mr. POWER: Honourable gentlemen, I do not intend to say anything about the matter brought up by the honourable gentleman who has just taken his seat, but I think the House will allow me to say a few words in the interests of humanity. Honourable gentlemen have probably noticed that on Saturday last a gentleman named Lemieux, who for some thirty-three years had been a member of the Civil Service in the Department of Militia, was suddenly accidentally killed. No doubt we all felt regret; but honourable gentlemen have probably not considered what the position was. This Mr. Lemieux had paid into the old superannuation fund for thirty odd years. Unfortunately, the old superannuation law made no provision beyond a man's own life, and, if he died, his widow or other dependents were entitled to get nothing.

This gentleman has died suddenly; he has left a widow, and, I think, four children; and all they get is two months of his pay. I think that must strike every honourable gentleman as being an exceedingly objectionable condition of things. We are paying out and preparing to pay out millions for men who have been overseas and have come back enjoying fairly good health and good prospects; and here is a widow of this civil servant, and her children, with nothing whatever.

I call attention to the matter because I think it is the duty of the Government, who are so considerate of the claims of other people, to do something for the dependents of this faithful civil servant. I understand that another estimate is to come down; and it does seem to me that when that estimate is framed it would be only right for the Government to place in it an amount to put the dependents of this Mr. Lemieux in a better position; I do not mean to say that they should be paid the superannuation for a length of time, but I think they should get something.

Hon. Mr. CASGRAIN: What he has paid in.

Hon. Mr. POWER: As the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) suggests, I think that at the very least, as a matter of justice and humanity, a sum should be put in the estimates which would be sufficient to refund to the dependents of this man the money that he has paid in to the superannuation fund.

Hon. Mr. POIRIER: With interest.

CIVIL SERVICE BILL.

REPORTS OF SPECIAL COMMITTEE.

Hon. Mr. WILLOUGHBY moved concurrence in the second report of the Special Committee to whom was referred Bill 18, an Act to amend the Civil Service Act, 1918.

The motion was agreed to.

Hon. Mr. WILLOUGHBY moved concurrence in the third report of the same committee.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, my honourable friend the chairman of the committee, who introduced this report explained to the Chamber yesterday why the recommendation was made. I must say, with all due deference to the committee, although I am a member thereof, that I think no good purpose will be served by making this recommendation to the House of Commons.

The report recommends to the House of Commons that the classification be made retroactive—that it relate back to the fiscal year commencing April 1, 1919; whereas

in the Bill itself, I understand, it is proposed that it should come into operation at the beginning of the next fiscal year. The House of Commons gave every consideration to this proposal and disapproved of it, and so framed their legislation, which was sent up to this House, that it should come into force at the next fiscal year. It was quite manifest to honourable gentlemen upon the committee that the Bill could not be amended by reason of its involving money provisions, which, in any event, entirely apart from the question of this House not interfering in such cases, would involve an estimate being brought down providing for the additional supplies which would be necessary to put the classification in force since the beginning of the present fiscal year. Inasmuch as the Commons has already dealt with it, inasmuch as it is a money question, and inasmuch as when the Bill has received its third reading in the Commons it cannot be amended, necessitating another Bill being brought down by the Commons, which of course will not be done, a recommendation from this Chamber would be perfectly useless, and would bring us into conflict with the House of Commons on the subject.

Hon. Mr. CASGRAIN: The honourable gentleman says that because this is a money Bill there would have to be a new Bill?

Hon. Sir JAMES LOUGHEED: The present Bill could not be amended in the House of Commons, because it has received its third reading there. The only amendment that could be made to the Bill, it having received its third reading in the House of Commons, would be an amendment made in this House.

Hon. Mr. CASGRAIN: Because it is a money Bill?

Hon. Sir JAMES LOUGHEED: Yes. It is conceded that we should not intervene, making provision for an additional payment; and, as we recognize the futility of making a recommendation to the House of Commons, it seems inadvisable to adopt this report.

Hon. Mr. BOSTOCK: I am a little surprised to hear my honourable friend's objection to the Senate expressing their opinion upon this matter. I think it was represented to the members of the committee that there was some misunderstanding in regard to this whole question. At any rate, certain men in the service were under the impression that the minister had undertaken to have the classification come into effect at the end of the fiscal year 1918-19, and that it was almost a question of the minister keeping faith in that regard. It was largely because of that representation being made to the committee that a member of the committee moved an amendment to the Bill, which was afterwards put in the form of a recommendation on the part of the committee. If such a promise has been made by a member of the Government, it is very desirable that it should be carried out, because if the Civil Service feel that faith has been broken with them on a question of this kind it will have a very bad effect. I believe it was on that account that the members of the committee thought it fair and right to make this recommendation to the House.

Hon. Sir JAMES LOUGHEED: I may say to honourable gentlemen that I have seen Hon. Mr. Maclean since the report of this committee was prepared, and he, of course, approves entirely of what was done in the House of Commons, and intimates, with all due deference to the recommendations made by the Senate, that the House of Commons will proceed along the lines which have already been followed.

Hon. Mr. CASGRAIN: I am sorry to be troubling the House all the time, but I really do not understand. All the Bills that come here have been read a third time in the House of Commons. Does this mean that we cannot amend a Bill that has been read a third time in the House of Commons, because it is a money Bill?

Hon. Sir JAMES LOUGHEED: A Bill must necessarily be read a third time in the House of Commons before it comes to the Senate. If an amendment to a Bill be made in the Senate, the Bill goes back and can be amended accordingly if the House of Commons adopts the Senate amendment. But this is a money Bill, and the committee, recognizing that it would be improper to bring in any amendment to the Bill, have made this recommendation. The recommendation would necessarily be the subject of another Bill, because the House of Commons has not the authority to amend a Bill the clauses of which have not been amended in the Senate.

Hon. Mr. ROCHE: I should like to say a word on this subject. Until we had the explanation of the minister, the House, I think, did not know what the report was. It was proposed for adoption by the House, not being read, and without the members being apprised of its contents. It has frequently seemed to me an anomalous proceeding for reports, not having been read,

to be passed upon by the House. I think that course was taken when we were pressed with business, and had not time to consider what was done; but certainly an important report like this should be read to the House, and the members should be apprised of its contents before being called upon to vote upon it.

Hon. Mr. POWER: Honourable gentlemen, I really do not see the force of the objection. The report does not undertake to deal directly with the money question, but expresses the opinion of a committee of the Senate—and, if the report is adopted, the opinion of this House—that a certain thing should be done, namely, that the classification should go into operation as from the 1st of April, 1919, instead of the 1st of April, 1920. I do not see any objection to the Senate expressing its opinion. That would bring the matter directly to the attention of the House of Commons. If we have in any sense misapprehended their views, they will decline to pass any measure providing for this thing. I think probably it would not be necessary to have a new Bill. An item might be put in the Estimates which are to be brought down.

The motion for the adoption of the report was negatived.

NAVIGABLE WATERS PROTECTION BILL.

THE SENATE INSISTS UPON ITS AMENDMENT.

The Senate proceeded to the consideration of the message from the House of Commons, disagreeing to the amendment made by the Senate to Bill 11, an Act to amend the Navigable Waters Protection Act.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, this Bill has been before the Senate so frequently and has been so much discussed that I hesitate to address myself to the House any further on the subject. I may just say, very shortly, that when the Bill came up from the House of Commons they proposed to put the provisions of the Bill in force in all navigable waters. The Senate qualified that by inserting the word "tidal"; so that the machinery outlined in the Bill, which would have been put in operation in regard to obstructions in navigable waters, would be confined to, and would operate against, obstructions in tidal waters only. The House of Commons refused to concur in that amendment, and accordingly by message intimated that fact to this House.

For the purpose of deciding the matter one way or the other I move:

That a message be sent to the House of Commons to acquaint that House that the Senate doth insist upon its amendment to Bill 11, intituled an Act to amend the Navigable Waters Protection Act.

Hon. Mr. ROCHE: Honourable gentlemen, this Bill, with the amendment, having been returned to this House, I am of opinion, which I think some others share, that this would be a favourable opportunity for disposing of the whole thing by not allowing such a Bill to pass. I shall give one or two reasons for this. In the first place, it would bring the Dominion Government into conflict with the local governments. The local governments have made grants of land, upon which there have been erections, and grants of land and erections were held by other tenures before Confederation, and the local governments must support the guarantees of those tenures. That will involve litigation. If litigation should arise because some obnoxious person or an enemy of a person should stir up the Minister of Justice to expropriate or destroy property, a poor man whose property was destroyed would have no redress; and if a person with sufficient means had a case of that kind, and took it before the Privy Council, this law would be found to be not worth the paper it is written upon, because it contravenes the Act of Confederation and counteracts all grants made by the British Government; and that power is not allowed the Dominion Government. Therefore an opportunity has fortunately been afforded to us to dispose of the Bill by not allowing it to pass.

Hon. Mr. BOSTOCK: My honourable friend has moved that we insist on our amendment. I am very much afraid that the result of that may be that the Bill will be killed. I have been given to understand that this legislation was required because the Government found themselves in an awkward position in regard to a certain matter in British Columbia, and on that account I rather hesitate about supporting the motion. I do not see exactly what is going to happen. It may be a very serious matter so far as the province of British Columbia is concerned if this Bill should be dropped in consequence of our agreeing to the proposal of my honourable friend. Of course, if the motion of the honourable leader of the Government is carried, it will still be open to both Houses to hold a conference to see if

some agreement can be come to. I understand that the strong objection raised against this Bill, when it was in this House before, was that it was going to apply to all navigable waters, and therefore the amendment proposed to the Bill by my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) to insert the word "tidal" in order to confine it to the waters of the ocean. But now, if we insist on our amendment, I am afraid that the Bill may be lost altogether, and that the effect may be serious in the province of British Columbia.

Hon. Mr. POWER: I do not myself think that we should adopt the motion made by the honourable leader of the House. If there is an obstruction to navigation, what difference does it make whether that obstruction is in tidal waters or in non-tidal waters? An obstruction in the Great Lakes is just as objectionable as an obstruction in the gulf of St. Lawrence, and an obstruction in one of the large rivers is really more of a danger to navigation than an obstruction out in the open sea. I think that the House of Commons were perfectly right in refusing to accept the amendment made by this House, and I think it is foolish and unfair for this House to undertake to limit the liability to tidal waters.

Hon. Mr. LYNCH-STAUNTON: The honourable gentleman who has just sat down seems to be under the impression that these obstructions—if I may use that word, which is not perhaps the proper one—which are placed in navigable waters are necessarily obstructions to navigation. The law a few years ago was this, that the minister had power to remove any obstruction to navigation in any navigable water in Canada, either tidal or non-tidal.

Hon. Mr. CASGRAIN: Natural or artificial obstacles?

Hon. Mr. LYNCH-STAUNTON: Artificial —obstructions placed there by man. The Dominion Government had power to regulate navigation and to prevent persons from putting structures in navigable waters so as to interfere with their navigation. Subsequently, only three or four years ago, the law was changed so as to give the minister power to compel any person to remove any obstruction which he had placed in navigable waters without the consent of the minister. Now there is a great difference in the law. In the first place, you could put a structure in navigable waters provided that it was located in such a place that it did not interfere with navigation.

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

Hon. Mr. LYNCH-STAUNTON: Pardon me a moment. Now, under the law you may not place a structure in any part of any navigable body of water, whether that part is navigable or not. For example, if in a little bay running off a lake the water is two or three feet deep, and if without the consent of the minister you place an obstruction there, he may make you remove it, although no vessel has gone within ten miles of the place since creation. That is the law to-day. The effect of the present Bill is to allow the minister to remove from waters, not only structures not injurious to navigation, which have been put down after the passing of the Act of 1918, but also structures which have been placed there at any time heretofore, whether they injure navigation or not. In my judgment, it is unjustifiable legislation: it is retroactive and it interferes with vested rights. I know of cases where structures have been placed in water which is part of lake Ontario, but is not and never was navigable. Those structures have been standing for 20, 25, or 30 years, and the minister never dreamed of objecting to them, nor did the legislature ever dream of giving him power to object. But now, because in the harbour of Vancouver some man has erected a dock where he has been carrying on his business for 25 years, and because the city of Vancouver has brought an action against him to compel him to remove that structure and has fruitlessly carried the action to the Privy Council, and has learned that no court of law would give it the right to remove the structure without compensation, this Bill is brought in for the purpose of compelling that man to remove the structure. It is said, he is asking too much money from the city of Vancouver for the removal, and in order to reach him, it is necessary that every person in Canada who is in a like position shall have his property jeopardized, and at the whim of any official in the Pubic Works Department or the Marine Department, it may be removed and he is to have no remedy, either in damages or by recourse to the courts of law. I am interested only in inland navigation, and I have introduced the amendment for the purpose of protecting those who have structures in inland waters. There is no reason, so far as navigation is concerned, why this Bill should pass. Navigation will not be interfered with or injuriously affected if this Bill does not pass, because the Bill is not intended to prevent obstructions

being placed in the navigable parts of waters, but only to give the minister power, without going to a court, to tear down structures which have been erected in the non-navigable parts of the public waters of Canada. I submit that it is without precedent in the Senate of Canada to pass any retroactive legislation which will injuriously affect vested rights, and I submit that we should not do so. As I have stated, I am interested in the inland waters. If honourable gentlemen who are interested in tidal waters do not see fit to look after those interests it is not my concern; but, so far as I am concerned, I believe, and I submit to this House, that this is not proper legislation to entertain.

Hon. Mr. CASGRAIN: I wanted to ask the honourable gentleman a question just now, but desired not to interrupt him. The honourable gentleman opens up a very wide subject. There is a big case now being contested in Montreal on that very question. Some riparian proprietors are actually suing the Harbour Commissioners of Montreal, attacking any extensions which have been made to the harbour since Confederation. At the time of Confederation all the territory in the provinces was handed over to the provinces and the central government lost all rights in it, according to their contention. Now they are suing the Harbour Commissioners and incidentally the Government of Canada in order to have the embankment and some of the wharves actually removed from the front of their property, or to obtain immense damages. One man by the name of Tetreault wants $160,000, because, he says, they are blocking his access to the river. Now, the question is raised—and the lawyers engaged in the case knew it would be raised at some time or other—whether the bottom of the river belongs to the province or to the Dominion; and if it is proven that the foreshore and the bottom of the river belong to the province, then the Federal Government has no right to put anything below high-water mark without first obtaining the consent of the province. It is on that point I desired to ask the honourable gentleman a question. I suppose the honourable gentleman, being a lawyer, is well aware that the bottoms of rivers and lakes within the province belongs to the province itself. As to structures to which he refers and which he says are apt to be removed, by what authority were they erected? No man had a right to build them if the property below high-water mark belonged to either the Federal or the local Government, and any man erecting a structure there was a trespasser on the public domain. The honourable gentleman is too good a lawyer to plead that because the structures have been there for 25 or 30 years there is a proscription against the Crown. The length of time for which the structures have been standing has nothing at all to do with the case. I believe it would be quite right, if they do create an obstruction, for the Government to remove them. But a man may have bought a water-lot, say, from the province of Ontario, and may have erected a structure upon it in what may be called a navigable stream; for a navigable stream does not necessarily mean only where the channel is: if a river is navigable, it is navigable from one end to the other, although the channel may be only in the middle. If a structure has been put on a water-lot granted by the Provincial Government of Ontario, we will say, I do not see how a Federal minister can require the owner to remove the structure. The minister would have to make out a strong case to show that it really impeded navigation, and in the meantime the man would be allowed to keep his structure there.

May I be allowed to offer a kindly criticism of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton)? He says he is interested only in the inland waters and not in tidal waters. I think that as senators we are interested in everything that concerns the public and are not provincial; therefore we must be interested not only in inland waters, but also in tidal waters. The honourable gentleman must have made a slip.

I was not here when the discussion on this Bill took place, but the question I ask the honourable gentleman is: do not the bottoms of the rivers and lakes belong to the province? If the honourable gentleman admits that they do, then it follows that if a man obtains a patent for a water-lot from a Provincial Government he has the right to do as he likes on that particular water-lot.

Hon. Mr. LYNCH-STAUNTON: In answer to the honourable gentleman, I may say just this, that if I put a structure on land which belongs to the Provincial Government or to the Dominion Government, there is now a law which entitles the Dominion or the Provincial Government, as the case may be, to remove it. So far as this legislation is concerned, it does not in any way help the position of either government. But if I build on a water-lot which I bought from the Provincial Government, this Bill will

disturb me in my possession, and I must, if necessary, fight the Dominion Government and the Privy Council to determine whether it is constitutional or not. That is an onus which should not be placed by Parliament on any citizen of this country. There is no doubt that the fisheries case decided that the ground under the water, and the water in the lakes, belong to the Provincial Government, and the Dominion has only the right to make laws respecting navigation.

Hon. Mr. CASGRAIN: Easement.

Hon. Mr. LYNCH-STAUNTON: I myself pointed this out to the department five or six years ago. I told the department that if they thought they had any case they should commence an action in the Exchequer Court to assert their rights in a matter in which I was interested in the province of Ontario. I asked them to submit the question to the Department of Justice. They apparently submitted it to that department, and we never heard any more of the claim. But now they are bringing in this law so as to allow the minister to ride over my rights without appealing to a court—which I think is not in accordance with our notions of either law or justice.

The motion was agreed to.

The Senate adjourned until 8 p.m. this day

Second Sitting.

The Senate met at 8 o'clock, the Speaker in the Chair.

Routine proceedings.

GRAND TRUNK RAILWAY ACQUISITION BILL.

On the motion to adjourn:

Hon. Mr. BOSTOCK: I should like to ask my honourable friend the leader of the Government if any arrangement has been made with regard to the printing of the Grand Trunk Bill before it comes up here. I understand that several rather important amendments have been made by the Government to the Bill since it was introduced in the other House, and I think it is important that it should be in proper form when it comes before us.

Hon. Sir JAMES LOUGHEED: If it is not in the hands of the printer to-night, I shall see that it is put in his hands without delay.

Hon. Mr. DANDURAND: Has the honourable gentleman fixed a day next week for taking up the second reading of the Bill?

Hon. Mr. LYNCH-STAUNTON.

Hon. Sir JAMES LOUGHEED: No, not next week.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE.

First Sitting.

Wednesday, November 5, 1919.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

GRAND TRUNK RAILWAY ACQUISITION BILL.

INQUIRIES AND STATEMENTS.

Hon. Mr. CASGRAIN inquired of the Government:

What is the amount the Government claims the Grand Trunk Railway system owes them?

Hon. SIR JAMES LOUGHEED:

Statement of amounts owing Government by the Grand Trunk railway and the Grand Trunk Pacific railway:—

Grand Trunk Railway.

Original loan	$15,142,633.13
Advance July 1, 1918	593,733.33
Advance September 30, 1919	554,600.00
Account of rails	1,279,760.07
Total	$17,570,726.53

Grand Trunk Pacific Railway.

Loans	$50,591,237.00
Interest due Government to July 2, 1919	7,368,983.83
Advances by the Receiver	5,996,539.35
Rail account to Hudson Bay railway	53,848.38
Total	$64,010,608.56
Balance due Canadian Government railways by G.T.R. and G.T. Pacific operating accounts	$ 1,040,346.79
Direct liability	82,621,681.88

Hon. Mr. BEIQUE inquired of the Government:

1. What was the total amount of the cost of the building of the Grand Trunk Pacific railway and of its branch lines?

2. What is the total amount of the present indebtedness of the Grand Trunk Pacific Railway Company, and of the Grand Trunk Pacific Branch Lines Company, and what portion thereof is owing to the Dominion Government or any of its departments or railways or to the Grand Trunk Railway Company, and amount owing to each?

3. What is the total amount of bonds, debentures or other instruments of indebtedness of the Grand Trunk Pacific Railway Company and of the Grand Trunk Pacific Branch Lines Company now outstanding and guaranteed by the Dominion Government?

4. What is the date of maturity of such bonds, debentures or other instruments of indebtedness, and what is the rate of interest payable on the same?

5. What is the total amount of the bonds, debentures or other instruments of indebtedness of the Grand Trunk Pacific Company and of the Grand Trunk Pacific branch lines now outstanding and guaranteed by the Grand Trunk railway or by Provincial Government? If any such bonds, debentures or other instruments of indebtedness carry more than one guarantee, what is the amount thereof? Has the guarantee been given by the Dominion Government, the Grand Trunk Railway Company or any of the Provincial Governments? What is the amount thereof in each case, and in what order such guarantees stand?

6. Are there any bonds, debentures, notes or other instruments of indebtedness of the Grand Trunk Pacific Railway Company or of the Grand Trunk Pacific branch lines, now outstanding, which have not been guaranteed? If so, what is the amount thereof and dates of maturity?

7. What amount of money has been paid or disbursed to date by the Dominion Government to or for the Grand Trunk Pacific Railway Company, Grand Trunk Pacific Branch Lines Company, and Grand Trunk Railway Company, separately, by way of loans, investments or otherwise?

8. Are there any bonds, debentures or other instruments of indebtedness of the Grand Trunk Railway Company or of the Grand Trunk Railway system apart from that of the Grand Trunk Pacific Railway Company or of the Grand Trunk branch lines now outstanding and guaranteed by the Dominion Government or any of the Provincial Governments? If so, what is the amount thereof in each case, and what is the date of maturity and the rate of interest?

9. What is the amount of the consolidated or funded debt of the Grand Trunk Railway Company and of the Grand Trunk Railway system, apart from that of the Grand Trunk Pacific Railway Company and Grand Trunk Pacific branch lines; what portion in bonds, what portion in debentures or debenture stock, and what portion floating, dates of maturity of each, and rates of interest?

10. What is the approximate amount of the current assets and of the current liabilities: 1st, the Grand Trunk Railway Company; 2nd, of the Grand Trunk Pacific Railway Company, and Grand Trunk Pacific Branch Lines Company; and 3rd, of all the other companies forming part of the Grand Trunk System?

11. Referring to the blue-book "Correspondence regarding Grand Trunk Railway Company's Position and Memoranda respecting the same," printed by Order of Parliament, page 47: (a) What is the first column under heading "Income Account" intended to show different from the second column? (b) What was the total loss or deficit for each of the years: 1913, 1914, 1915 and 1916, on the operation of the Grand Trunk Pacific railway? (c) What was the total loss or deficit for each of the years 1913 to 1918, both inclusive, on the operation of the Grand Trunk Branch Lines Company? (d) How is made up or composed in a summary way the item of $3,838,831.46 on page 38 of said blue-book, and if part of that sum is owing or payable by the Grand Trunk Pacific Railway Company or Grand Trunk Pacific Branch Lines Company, what is the amount thereof?

12. What was the total cost of the construction of the National Transcontinental; when was it put in operation, and what has been the loss or deficit on the operation thereof each year?

13. At what date did the Government, through the Commissioners or otherwise, take possession of the Canadian Northern Railway system? Up to what date has the loss or deficit on the operation thereof been ascertained, and what has been the loss or deficit on the same, and what sums of money have been expended to date (a) for repairs, and (b) for betterments on said system?

Hon. SIR JAMES LOUGHEED: The answer to the inquiry of the honourable gentleman is very lengthy. I shall lay it on the Table. (Statement laid on the Table.)

Hon. Mr. BEIQUE inquired:

1. What is the order of preference as to capital, interest or dividend of the securities mentioned in the preamble of Bill No. 33 An Act respecting the acquisition by His Majesty of the Grand Trunk Railway system?

2. For lists giving the names of holders of at least £1000 each of the 4 per cent guaranteed stock (£12,500,000), mentioned in said preamble.

Hon. Sir JAMES LOUGHEED:

1. The order as to capital interest or dividends of securities mentioned in the preamble of Bill 33, is as follows:

Five per cent Great Western debenture stock—first against the old Great Western railway.

Four per cent Northern debenture stock—first against the old Northern railway.

Four per cent Grand Trunk debenture stock and five per cent Grand Trunk debenture stock together rank equally against the whole property, and the securities of the various railways absorbed, which were acquired by their issue, are kept alive for the protection of these debentures.

Next comes the capital stock in the following order: Four per cent guaranteed stock; first preference stock; second preference stock; third preference stock; common stock.

2. A list of shareholders is being obtained from the Grand Trunk in London, England, where the share register is kept.

FIRST READING.

A message was received from the House of Commons with Bill 33, an Act respecting the acquisition by His Majesty of the Grand Trunk Railway system.—Hon. Sir James Lougheed.

The Bill was read the first time.

MOTION FOR SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of Bill 33, an Act respecting the acquisition by His Majesty of the Grand Trunk Railway system.

He said: Honourable gentlemen, in moving the second reading of this Bill may I be permitted to say that we have looked forward not only with interest but with anxiety for some days to the introduction of this Bill. Now that it is before us, and realizing to the full the responsibility which rests upon us, I am satisfied that not only the fullest consideration—but the very best judgment of this Chamber will be given in dealing with this very important measure.

I might preface what I am about to say by making reference to a report which has been for some time in circulation, which no doubt was calculated to injure the prospects of passing the Bill, that the Prime Minister of the Dominion, who unhappily has been absent for some time through illness, was not in sympathy with the Bill, but that owing to those circumstances of illness and of absence, other members of the Government had taken this matter in hand and had proposed to force it through Parliament. I am in receipt of a letter from the Prime Minister as to his attitude, and as to his responsibility, touching not only the negotiations that have taken place regarding this measure, but also his responsibility as Prime Minister of this Dominion in having this Bill introduced into Parliament during the present session. He writes to me on the 1st of November:

My dear Sir James Lougheed:

It has just come to my ears that a most astonishing and utterly unfounded report is being circulated among members of the Senate respecting my attitude towards the pending Grand Trunk legislation. Some of the senators supporting the Government have been falsely told that the legislation in question does not command my approval. If that were true it would not be before Parliament. But, as you know, I personally initiated the negotiations with the Grand Trunk directorate at least two years ago; as, after a careful study of the situation, I was convinced that the acquisition of that system was essential in the public interest. Without going into details, I emphasize two considerations. In the first place, our present system of national railways is so incomplete as to seriously jeopardize, if not absolutely prevent, its successful operation. It has in the West a development which gives promise of splendid results; but those results cannot possibly be attained without the necessary complementary system in the East. That necessity can only be met by the acquisition of the Grand Trunk, which will give to the Canadian people a well-rounded system of state railways, capable of holding its own in competition with private interests and of giving inestimable service to the country. In the second place, the only practicable alternative to the Government's proposals is to hand over the national railways of Canada to a private corporation. There is little doubt but that would lead to control by a single corporation of practically all the railways of Canada. Such a corporation would necessarily be invested with power and influence so extensive, far-reaching, and dangerous as to constitute a public menace. The Government, so long as I am at its head, will never listen to such a proposal.

I most earnestly hope that the members of the Senate will realize the importance and cogency of the considerations upon which this legislation is based. It embodies the results of most careful and prolonged study of the problems involved. Its sole aim is to conserve, promote and advance the public interest in assuring the successful development and operation of a great system of national railways. I appeal for its support and approval by the Senate.

It is most unfortunate and regrettable that the condition of my health has prevented me from remaining at my post and from taking the part which I greatly desired to take in the debate in the Commons.

Faithfully yours,

R. L. Borden.

Hon. Mr. DANDURAND: That is not the rumour that reaches us. The only one that has reached my ear was that the honourable gentleman himself was supporting the measure with a faint heart.

Hon. Sir JAMES LOUGHEED: Who?

Hon. Mr. DANDURAND: The honourable gentleman himself, not the Prime Minister.

Hon. Sir JAMES LOUGHEED: Perhaps my honourable friend will change his opinion by the time I get through with my remarks.

Honourable gentlemen, one of the first objections with which the Government was met during the present session was that insufficient time had been given for the consideration of this measure; that it had been thrust upon Parliament unexpectedly; that Parliament had been called together for the purpose of considering another public measure, and not for dealing with the one now before us; and that, in view of the fact that we have been so suddenly confronted with so important a subject, delay should take place and the legislation should be deferred until next session. Permit me to say that this is not a matter which has been suddenly thrust upon the attention of the people of Canada, much less that of the Parliament of Canada. It has been a subject of public discussion, particularly by members of Parliament, for almost two years past. Not at the present session, but during the last session of Parliament, the Prime Minister, in making a statement upon the floor of the House of Commons, said:

"I come now to the Grand Trunk Pacific. I regard it as inevitable that for many reasons that road should be taken over by the Federal Government. It is a national enterprise to which the credit of the Canadian people has been committed, and in my judgment it is expedient to sustain it and not permit it to go into liquidation. It is intimately connected with the Grand Trunk Railway system in the East. . . . The House and the country will be glad to know that the prospects of its traffic seem to be improving, and I very sincerely hope that they will improve still more in the early future. That railway cannot be successfully operated without suitable arrangements with the Canadian Northern railway and with the Grand Trunk railway in the East. It cannot pay its interest charges, and it is utterly impossible for the Grand Trunk to meet the obligations which it has undertaken in respect to the Grand Trunk Pacific."

And further on in the debate the statement is very clearly made that it is inevitable that the Parliament of Canada must at an early day grapple with the problem of taking over the Grand Trunk railway of Canada.

Permit me to say that the subject of acquiring the Grand Trunk railway was taken up between the Government of Canada and that corporation in January, 1918, and negotiations were entered into between both parties as to the terms of acquiring the system. Those negotiations are the subject of a blue-book which has been issued, and they have been before the people of Canada from that time down to the present; consequently it cannot be said that this subject has unexpectedly been thrust upon the attention of Parliament during the present session. This having been a subject of consideration for almost two years, it does not follow that the Government of Canada should stage the conclusion of the negotiations at some particular session of Parliament called for that purpose. This is purely a business transaction, such a transaction as any responsible business man would enter into with the parties interested on the other side of the negotiations. Circumstances have arisen during the present session of Parliament where it has become not only desirable, but necessary that the Government of Canada should proceed with, and if possible conclude, its negotiations concerning the acquisition of this road. About three or four weeks ago the president of the Grand Trunk system came over to Canada for the purpose of further discussing and of closing those negotiations with the Government of Canada. As I say, we had been proceeding with them for almost two years previously; so that to have said to the president of the Grand Trunk, "Notwithstanding the importance and magnitude of the subject, we do not propose to negotiate further until the next session of Parliament, when we shall stage this subject spectacularly so that everybody will be satisfied and everybody will know all about it." would be to insult the intelligence of the people of Canada and to be recreant to our duty as members of this Parliament.

This is a subject that has been developing not only for the last two years, honourable gentlemen, but ever since 1903. I say that this legislation of to-day is the direct outcome, the logical result, of the legislation which was placed upon the statute books by the Government of Sir Wilfrid Laurier in 1903. That could have no other result. Looking back at the passage of that legislation and at the criticism which took place, not only on the floor of Parliament, not only on the hustings, not only in the press of Canada, but in every part of the Dominion, as to what the outcome of that legislation would be to any two intelligent men, the one asking the other what must necessarily be the outcome, they could not fail to come to the conclusion that the only result would be that the Grand Trunk railway, which was then not only jeopardizing its interest but sacrificing its very existence, must necessarily have its system absorbed by the Government of Canada. We know very well what the ambition of the Grand Trunk Railway Company at that time was. Its ambition was that the Grand Trunk should become a transcontinental system. It had ambitions to rival its great competitor, the Canadian Pacific Railway Company, a company that had built up a transportation system that was the envy of almost the entire world, a transportation system of which Canada has been proud, and which has placed Canada as regards transportation in one of the most prominent positions amongst the people of the world. The Grand Trunk system had been struggling for many years. It had been the pioneer system of transportation not only in Canada but almost upon this continent. Having been placed under new management, it became inspired with the idea that it could be converted into a national transcontinental system, and rival its great competitor, the Canadian Pacific railway. It presented at that time to the Government of Canada a reasonable and, I may say, a modest scheme by which its system might be extended from North Bay, or Scotia Junction, to the Pacific coast; but that did not appeal to the Government of the day. The Government of the day, instead of tak-

ing into consideration the all-important fact that this was a transportation problem, thought there was a more transcendent question, namely, that it was a gigantic political problem which would keep the Government in office for an unlimited time. Instead of working out the problem along transportation lines, the Government worked it out along political lines, to which the Grand Trunk Company became a consenting party, thus sacrificing its financial future and its very existence.

And now, honourable gentlemen, we are facing the logic of events. It could have no other result. If any of you had paused to think at that time what it meant to construct a transcontinental system from Moncton to the Pacific coast, and expend thereon in principal and interest on the main line almost $400,000,000, and saddle a cost of 120 odd millions of dollars on the Grand Trunk system, which almost from its very inception had been struggling with financial difficulties, you would have realized that the results were inevitable. Notwithstanding this, the Grand Trunk Company and the Government of Canada committed themselves to the project, and to-day we are dealing with the aftermath of that legislation, and the problem now before the people of Canada is: what shall we do in view of the blunder that was committed in 1903?

Now, honourable gentlemen, what shall we do? In view of this blunder having been committed; in view of our having spent in hard cash, upon the National Transcontinental no less than $160,000,000 without interest; in view of the Grand Trunk Pacific having cost the Grand Trunk practically $120,000,000 and the Government of Canada about $100,000,000; shall we now abandon that enterprise? It is manifest to every intelligent man that a line of rails running from Prince Rupert to Moncton without any feeders, cannot be operated. Is the Government of Canada to proceed for all time simply to run through trains from Moncton to the Pacific coast over a line of rails without any feeders, without anything to give vitality, to give life and existence, to the system which we have built up at the enormous expenditure which I have just mentioned. We are thus placed in the position of accepting the alternative, of practically abandoning a scheme upon which $400,000,000 in round figures have been spent, or proceeding, as any intelligent business men would, to acquire other property which would give life and vitality to the enterprise which was then undertaken.

Moreover, honourable gentlemen, during the lifetime of the Government to which I have alluded, namely, the Laurier Government, they not only committed the Government to the construction of this system, which was admittedly a mistake—in fact, the most colossal blunder upon which the people of Canada ever entered—but they proceeded further to accentuate the mistake and the blunder to which they had committed the people by converting the Canadian Northern system into a transcontinental line. In the first place, they entered upon an undertaking by which they ruined the future of the Intercolonial railway, by paralleling it with the National Transcontinental and, in the second place, not being satisfied with that blunder, they further committed themselves to the additional blunder of further ruining the Intercolonial and the National Transcontinental system by converting the Canadian Northern into a transcontinental line.

Consequently, the people of Canada have upon their hands a threefold problem, the most complicated railway problem that ever confronted the people of this continent. If the Government of Canada and the provincial governments had not been so committed to and interwoven into the scheme, the problem would have been comparatively easy of solution; but, unfortunately, practically all the governments of Canada are committed to those enterprises and to the disaster which must necessarily follow in the wake of an unwise solution of the problem. According to the logic of events, the Government of Canada was compelled to take over the Canadian Northern. There was no alternative. I believe I am justified in saying that both political parties in Canada recognized the fact that the Government of Canada had to assume the responsibilities associated with the Canadian Northern enterprise. The Government of Canada had proceeded upon guarantees which they would have to make good; the provinces of Canada had assumed guarantees which they had to make good; and Parliament in its wisdom passed legislation by which we took over the Canadian Northern system. Now, having taken over the Canadian Northern Railway system, we have converted it into a national system, recognizing, as we do to-day, that in the National Transcontinental and the Canadian Northern systems, and in the local system in the western provinces.

we have a system which is equal in value, if not superior, to any other railway system in the Dominion of Canada. The local system of the Canadian Northern in those three western provinces is potentially equal, if not superior, to that of any other railway in the provinces of Manitoba, Saskatchewan, and Alberta. Though we find that many honourable gentlemen supported us in taking over that system and in the absolute necessity of our doing so, yet we find a current of opposition against doing precisely the same thing in regard to Eastern Canada in connection with the Grand Trunk Railway system. It is quite manifest, honourable gentlemen, that, inasmuch as we have committed ourselves to taking over the two systems to which I have referred, namely, the National Transcontinental and the Grand Trunk Pacific and the Canadian Northern, by which we practically control the railway situation in Western Canada, but without having any feeders in Eastern Canada, we must necessarily take over the Grand Trunk Railway system.

Furthermore, let me advance this argument to honourable gentlemen who may not be in sympathy with the Bill before us. When the National Transcontinental and the Grand Trunk Pacific system was built, it will be conceded at once without any controversy, it would not have been built but for the Grand Trunk system. It owed its origin, its inception, and the continuance of its existence, to the Grand Trunk system; it was part and parcel of the Grand Trunk system; there was no separation, no divorce, between the two. The Grand Trunk gave rise to the origin and the carrying out of the project of the National Transcontinental and the Grand Trunk Pacific. It will be conceded by every critic who is opposed to this Bill that those roads would not have been built but for the Grand Trunk; it will be conceded that those two roads could not possibly exist without the Grand Trunk system; and, inasmuch as we, through necessity or through the force of circumstances, have been obliged to take over those two systems, are we going to stand to one side and separate them from the Grand Trunk system, and thus deprive them of all the life and vitality which must come from the Grand Trunk system alone? You cannot separate the one from the other, honourable gentlemen. They are as indissolubly joined as anything that nature ever created; to separate them would be not only the most unnatural act, but the most illogical thing that the human mind could do, because, while the National Transcontinental is not absolutely necessary to the Grand Trunk, the Grand Trunk is absolutely necessary to the life and existence and success of the other.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman allow me? I wish to give notice of a motion to amend the Bill when the proper time comes. Perhaps it is irregular. I think it is only fair to bring it to my honourable friend's attention so that he may comment upon it. I propose:

Add to section 6 at the end thereof the following:

Provided that if the determined value of the preference and common stock in the aggregate exceeds £7,414,700 sterling the new guaranteed stock to be issued as herein provided shall not exceed the face value of £7,414,700.

Provided further that the arbitrators shall not increase the amount of their award by reason of the fact that the new guaranteed stock is to bear four per cent interest, but shall regard such new guaranteed stock as equivalent in value to so much gold coin.

Hon. Sir JAMES LOUGHEED: I appreciate the intimation which my honourable friend has given me. There will be an opportunity afterwards to discuss the amendment when it comes before us for consideration. Suffice it to say that it is entitled to every consideration, and I am sure the Senate will give that attention to it which it merits.

I was proceeding to say that the acquisition of the Grand Trunk is absolutely necessary for the continuance and for the very existence of the two systems which I have mentioned. On the other hand, fate has been kind, in a sense, although possibly cruel to the Grand Trunk, to have so determined the current or force of circumstances by which the Grand Trunk Railway Company is compelled to say to the Government: "We have reached a position which is intolerable; we cannot survive owing to the obligations we have assumed, which have grown out of the building of the Grand Trunk Pacific." As I said before, the Grand Trunk system, almost since its construction, has been more or less struggling against the current of financial circumstances, owing to its distant or foreign management. But, having assumed obligation, reaching about $120,000,000, by reason of its commitment to the Grand Trunk Pacific, it finds itself unable to meet its obligations; consequently it is only too desirous to negotiate with the Government for its acquisition.

That brings me down to this proposition, honourable gentlemen: has the Government

committed itself voluntarily to the principle or the policy of government ownership and the nationalization of railways? It is not my intention to discuss at the present moment the merits of the nationalization of railways; but I point out that the circumstances which have grown out of the legislation of 1903 have so determined the financial and transportation situation in Canada that the Government has been called upon involuntarily to assume those responsibilities and to enter upon a policy of nationalization for the time being, for the purpose of consolidation and of organization, as a policy of expediency, leaving the early future to take care of itself as to the administration of its roads.

Hon. Mr. DANDURAND: As to the administration and ownership?

Hon. Sir JAMES LOUGHEED: The Government will be the owner of these roads, and will then be in a position to take up the question of the best methods to adopt in regard to operation and administration.

Now let me deal for a moment with the question of nationalization. This Government has been attacked by its critics for entering upon the all-important, I do not say all-wise, policy of nationalization of our transportation systems. There are times, honourable gentlemen, when governments cannot pronounce upon what will be done, but when they are called upon to carry out the decrees of the public will, so to speak, or the decrees of circumstances that are inevitably thrown upon them. We have reached a stage in our civilization when the nationalization of public utilities, including the transportation business, has come to stay. The age has determined, in obedience to the voice of the common people, that there must be a nationalization of all public utilities. I say that without fear of contradiction, as a matter of fact. It is inevitable. We may disagree with it, but it is a tidal-wave sweeping over the whole of civilization, and the representatives of capital, who are its greatest opponents, are the people who are responsible for that current of public opinion. How can you expect any other result than that of a universal demand for public ownership when capital steps to one side apathetically and allows the electorate, the masses, the common people to take charge of the polls and the advantages thereof. Whom do we find opposing this Bill today? The capitalists of the Dominion, transportation representatives, and those representing many of our large financial institutions. They have a constitutional right so to do. But, honourable gentlemen, what is the voting power that this Parliament represents in the House of Commons? It represents the common people of this Dominion—the men who go to the polls to man the elections, the men who do all the necessary work in giving motion and force to the machinery by which the public will is expressed and representation given to the people of the Dominion—unfortunately we do not find the influential representatives of our great financial and industrial institutions interesting themselves in the hustings, in election gatherings, in the committee meetings of the electors, manning the polls, looking after the getting out of the electors on election day, and assuming on election day the active duties of citizenship. Then, is it conceivable to the ordinary intelligence of human mind that the men who work out and carry into activity the determining factors are going to stand to one side and permit the capitalist who on election day stands to one side to dominate the policy of the country? Not for a moment, honourable gentlemen. This is an age of democracy, an age when education has become diffused, when the common people realize that they are the force in determining the public will and not the apathetic capitalists who control the financial institutions of the country, and who stand to one side, and after a policy has been determined upon come and protest and become the critics of democracy. I noticed in one of yesterday's papers the most cogent illustration of this condition of our civilization today that I have noticed for some time.

Hon. Mr. McSWEENEY: What paper is that?

Hon. Sir JAMES LOUGHEED: I noticed in the cables of yesterday that the Labour party in Great Britain practically control the municipal governments of London. I might just read a short extract to show honourable gentlemen what the current of public opinion is, and what it inevitably must be so long as the capitalists of any country will evade the responsibility which rests upon them. It says: "London Apathetic; has Itself to Thank." I may say that London was startled at the result of those elections. The article goes on to say:

> Although the newspapers have for several weeks been trying to stir the voters out of their apathy to municipal affairs, less than 30 per cent of London electors took the trouble

to vote, and, as Labour's opponents say, "London has itself to thank."

That, honourable gentlemen, is the case in Canada. What has the voice of the people of Canada to do with the nationalization of railways? I venture to say that in any large city of this Dominion not a representative could be elected who would go upon a platform and place himself in opposition to public ownership. I venture to say that 75 per cent of the members of the House of Commons, if they were asked to announce publicly their attitude upon this question, would be compelled, for the purpose of surviving an election, to go on record as in favour of public ownership. I am not an advocate of public ownership. I simply say that this is one of the signs of the times. It is inevitable, and a duty is thrown upon the shoulders of those who represent capital and those who oppose public ownership, as well as the man in the street, in the determination of these very important questions. At the present moment, my views are these: I am in favour of the acquisition of the Grand Trunk and of any other roads that are necessary to complete a system of national transportation that will be in the interest of Canada. But I think that, while every reasonable trial should be given to public ownership, then if it be found that public ownership cannot be advantageously carried on, the Government of Canada will be in a position to say to the capitalists of the United States and of Europe: "We have a complete system of railways, comprising over 20,000 miles, covering the whole of this Dominion, the most complete system in the Dominion, representing engineering advantages superior possibly to those of any other system in the Dominion, and for that system we are prepared to accept offers—for its purchase or its operation or its administration," in the same way as Sir John Macdonald in 1881 invited proposals from the financial world for the building of the Canadian Pacific railway. If the Government could do that, then Canada would be in a position to have two of the most magnificent systems of railways to be found in any part of the world. Is it not something that Canada should be in that position? At the same time we have in the Railway Act all the machinery for controlling the most elaborate system of railroads.

Now, honourable gentlemen, I wish to direct your attention to this fact, that from Confederation down to the present time the Governments of Canada have had a subconscious glimmering, so to speak, of what should be the development of our railway policy. I say unhesitatingly that the Government of Canada has always had in view, from Confederation down to the present time, the possibility of government ownership. When Confederation took place we constructed the Intercolonial railway. We started on the very threshold of Confederation committing ourselves to government ownership, and from that time down to the present we have operated the Intercolonial as a government system. It has had its critics. Government after Government has been subject to attack as to the administration of that road; but it has notwithstanding, the support of the people of the Maritimes Provinces. We can call upon any of the representatives of the Maritime Provinces to speak in commendation of the advantages of the Intercolonial railway.

Hon. Mr. LYNCH-STAUNTON: It was a wooden idol.

Hon. Sir JAMES LOUGHEED: When the Laurier Government came into office, honourable gentlemen, it did not for a moment abandon the government ownership of the Intercolonial railway, but extended the policy of government ownership. It extended that system to Montreal. It entered into elaborate agreements with the Grand Trunk for the interchange of traffic and for terminal facilities. Not only did it do that, but it negotiated for some time with a view to acquiring the Canada Atlantic railway. My recollection is that the Government of Canada, during the Laurier administration, had an option for the purchase of the Canada Atlantic, with a view of extending it to North Bay, and at that time it was dreamed—I will go further than that, it was discussed and advocated—that the Government of Canada should commit itself to projecting that road through to the Pacific coast. The Government, however, did not avail itself of the advantage which it then had of acquiring the Canada Atlantic, which four or five years later was sold at one hundred per-cent advance. The Government neglected to take advantage of that opportunity. But even in that transaction honourable gentlemen can see that we were considering government ownership.

When, after Confederation took place, we negotiated with the province of British Columbia to enter the Union, what did we do? Did we invite capitalists to build a railway through Canada to British Columbia? No. The Government of Canada, under the Mackenzie administration, committed itself to government ownership of

the Canadian Pacific, and I am surprised at honourable gentlemen opposite departing so far from the ancient doctrines of their party's faith, in opposing government ownership to-day. The Mackenzie administration entered upon an elaborate scheme of constructing the Canadian Pacific, making use of our magnificent water stretches for the purpose of reaching British Columbia. But had they adopted a more intelligent scheme, the scheme which was afterwards adopted by building a continuous line from Montreal to the Pacific coast, as did Sir John Macdonald, I have no doubt the Government of Canada would be to-day the owner of that magnificent system. So up to that time we were committed to government ownership.

What was the next step, honourable gentlemen? When Mr. Hays, on behalf of the Grand Trunk Company, suggested that the Grand Trunk system should be projected from North Bay to the Pacific coast, on the basis of a guarantee, the Government of that day said: "No; we are for government ownership; we will build a transcontinental system from Moncton to Winnipeg, which we shall own."

Hon. Mr. POIRIER: From Quebec.

Hon. Sir JAMES LOUGHEED: "We will not let you own it, but we will rent it to you." Is not that government ownership? Then, as to the Grand Trunk Pacific, that line was built and cost the Government practically as much money as if they had built it in its entirety, but they handed it over to the Grand Trunk Pacific Company. So the Grand Trunk Pacific system is earmarked with all the commitments of the Government to a possible national ownership.

Then we come down to the building of the Canadian Northern. The Government of that day, the Government of Sir Wilfrid Laurier, outlined legislation and placed it on the statute book for the building of that road through to the Pacific coast and to which effect had to be given by the succeeding Government. It must have become manifest to the Government that they were practically committing themselves to the building of a line which they might as well have owned. Thus, as we follow the acts of the Government of Canada in all their operations in connection with the building of our transportation systems, we see the earmarks of government ownership. Why, honourable gentlemen, it was asserted by the Drayton-Acworth Commission that since Confederation down to that time, 1916, the Government of Canada had contributed in round figures a billion of dollars to the construction of our transportation systems. Yet we hold up our hands in holy horror at the idea of government ownership. Why, honourable gentlemen, we have given enough to build every mile of railway in the Dominion of Canada; yet we propose, apparently, continuing to disclaim our adherence to government ownership, declining to own the roads, and yet building them and handing them over to private corporations. Are we going to continue to do this?

Let us come back again to the Grand Trunk. Our critics oppose our acquiring this system. Are we going to continue carrying the Grand Trunk for all time to come? Ever since the completion of the Grand Trunk Pacific, we have been paying over to the Grand Trunk in hard cash about $7,000,000 a year—an amount more than sufficient to cover the operating costs of the road. Are we going to continue to do that, or are we going to be supported in the course which we have already taken, when we put our foot down and said: "Not a dollar more! If you cannot survive, then you have to do one thing or the other: you have to permit the Government of Canada to acquire your system, or you have to go into liquidation." Honourable gentlemen, we are at the cross-roads, and we have determined to acquire this system.

I made mention a moment ago of liquidation. Many of our critics ask: "Why not permit, or rather force the company"—for the company would probably have nothing to say about it—"why not force the company into a receivership?" This would be an unfortunate thing to do, and it would not be to the advantage of the people of Canada. The Grand Trunk represents a system of affiliated and interlocking companies comprising possibly forty or more, and to throw that entire system into the hands of a receiver and practically compel each company to appoint its own receiver, as would be done, would be a most unfortunate thing, not only for the public convenience, for the commerce of the country, and for the transportation interests of the people of Canada, but also for the reputation and credit of the Dominion. Then what could be accomplished thereby? Would the Government of Canada be anything ahead by reason of that complication? Not a bit, honourable gentlemen. The different parts or atoms of the Grand Trunk would fly off beyond our reach, and it would be

necessary again to build up that system, which it has taken a couple of generations to build. This would be one of the most difficult tasks that could be imposed upon the people of Canada, involving not only efforts that would be distributed over years, but a vast amount of money. But to-day the Grand Trunk is one of the most complete systems on this continent. It has a most complete system of transportation in the United States as well as in Canada, built up on most advantageous terms; for it was not until the development of the unfortunate financial conditions growing out of the war and the completion of the Grand Trunk Pacific, when its obligations were imposed upon the Grand Trunk finances, that the Grand Trunk failed to meet its financial obligations. If honourable gentlemen will look at the blue-book which has been distributed, they will find that regularly, over a long period of years, the Grand Trunk was able to meet the interest upon its different issues of stock, excluding the common stock, and it was not until the unfortunate combination of circumstances growing out of the assumption of liabilities in the building of the Grand Trunk Pacific and the conditions arising from the war that the Grand Trunk was placed in the embarrassing position which it faces to-day.

Now, honourable gentlemen, I do with full confidence appeal to this Chamber to give the Government of Canada a reasonable chance to make the nationalization of our transportation system a success. I say, in the first place, it must acquire the Grand Trunk system, and, in the second place, having acquired that system, we shall put into operation the legislation which we passed at last session to organize a Dominion Railway Company. Honourable gentlemen will recall that at last session we placed upon the statute book an Act looking to the consolidation and reorganization of all the different railways owned by the Government in Canada. Up to the present time, notwithstanding our having acquired the Canadian Northern railway, we have not organized as is contemplated under the legislation of last session. Immediately this road is acquired, the company will be reorganized; at least, the different systems will be put under an organization in conformity with the provisions of the statute and I venture to say that the system will be placed on a business-like basis of which the people of Canada will be proud. It is monstrous to say that this great Dominion of Canada, that has accomplished so much, cannot succeed in this undertaking. No eight millions of people in the civilized world have accomplished more than the people of Canada have done. Will Canada prove recreant to the duty cast upon it of placing its railway systems upon a proper basis? It is incomprehensible, inconceivable, unthinkable, that the people of Canada, who faced the responsibilities thrust upon them at the beginning of this war in such a way as to excite the envy of Europe and of America, will to-day be unequal to placing upon a business basis this 20,000 miles of railway and operating it in the public interest. Honourable gentlemen, we fail to appreciate the ability, the genius of the people of Canada as do other people. Canada stands higher in the estimation of the people of Europe and the people of the United States than it does in the estimation of its own people. Only yesterday I read from the New York Sun a most glowing tribute to the capability, particularly to the financial ability of the people of Canada, by one of the big financiers of the United States, and with the permission of the House I shall read it. He goes on to say:

> It is pretty nearly a year since the war closed, but in these latter months of peace, as in these months of war, Canada has gone on supplying Europe with hundreds of millions of goods and has gone on fixing the Canadian position as a world creditor nation. In spite of the fact that our balance of trade against Canada for the nine months ending with September last, was some $268,000,000, Canada had a favourable net balance of trade amounting to some $374,000,000.
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> Outside of Canada's record with the United States, in other words, her international trade balance was no less than $642,000,000. This is a pace, which, continued for only a few years, must put Canada in the front rank of creditor nation. It may be indeed, that within the next generation Canada as a creditor nation will be second in the whole world only to the United States, and by the same token such stupendous financial power as must come to Canada in that way will make her a potential customer of the United States of greater and greater magnitude.
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> When Canada can draw drafts in favour of anybody on the financial capitals of the old world for many hundreds of millions of dollars a year, she can settle her accounts in this country, she can settle her accounts in any other country, with the same ease as Great Britain settled hers for a century and more.

Hon. Mr. McSWEENEY: What is the name of the financial magnate? It is given there, I think.

Hon. Sir JAMES LOUGHEED: You will find it in last night's Journal. I do not catch the name at the present moment. This is quite a lengthy article taken from the New York Sun. Honourable gentle-

men, such is one of the tributes paid by a great New York paper and one of the great New York financiers to the ability of the people of Canada. Let us not be little or minimize our ability to handle problems of this kind. Honourable gentlemen, the acquisition of the Grand Trunk is a bagatelle in comparison with the tremendous questions which we have solved within the last five years; and, as we have solved those questions, and have solved them so successfully, so shall we solve this question and place the transportation interests of Canada upon a basis that will stand to our national credit.

There is another question which I approach with some trepidation, and that is as to the attitude which this Senate should take on questions of this kind. While I freely admit the greatest measure of freedom in regard to questions of this kind, yet it is a question whether the Senate may properly challenge the general policy of the Government, for which the Government has a mandate from the people. I say the Government of Canada as it is to-day has a mandate from the people of Canada for the acquisition of transportation systems which, through circumstances that cannot be overcome, we must acquire. This Government is fairly fresh from the people, and this question of acquiring the Grand Trunk was before the people before the elections of December, 1917. The public knew that the Grand Trunk in time must be acquired by the Government of Canada, and, while no one can controvert for a moment the freedom of the Senate to reject a measure of this kind, yet there is a question of policy as to whether the Senate should not be governed to some extent by the mandate which the Government of the day has from the people upon large questions such as that which we are now considering; and I do say—

Hon. Mr. POWER: Will the honourable gentleman excuse me? I would like to ask the honourable gentleman if he means seriously to tell this House that this question of taking over the Grand Trunk was before the electorate in 1917?

Hon. Sir JAMES LOUGHEED: Yes; I say that it was before the people and discussed even before the last general election.

Some Hon. SENATORS: Oh. oh.

Hon. Sir JAMES LOUGHEED: And if my honourable friend and his associates—

Hon. Mr. CROSBY: He is near-sighted.

Hon. Sir JAMES LOUGHEED: —had that intelligence which could forecast the future, they would have known in 1903, when they committed this country to building the Transcontinental, that it was before the people. Honourable gentlemen, this Senate would not think of questioning the policy of the country on the tariff, for instance.

The question of public ownership of the different transportation systems of this Dominion is a question very much in importance on a parity with the tariff, and I say that the question of the acquisition of our railway systems has been before the country for years. We were committed to the acquisition of the Canadian Northern system before the last general election; we were committed—and it was well known and inevitable—to the acquisition of the two transcontinental systems I have mentioned, and the logical outcome of that situation was that we must of necessity acquire the Grand Trunk railway. However, I do not say for one moment that the Senate is fettered in any sense in taking any position it may choose, but I say that the Senate should give some consideration to the mandate of the people as delivered to the Government of the day.

It is proposed, honourable gentlemen, that an arbitration should determine the value of the stock which we are to take over. I need not enlarge upon that, because honourable gentlemen are as familiar as I am with the process which we intend to adopt. Having done that, the stock passes to the Government of Canada, a non-voting stock, or certificates representing the value fixed by the arbitrators will be handed over to the shareholders. In the Commons an amendment was introduced and was imported into the Bill by which, although the arbitration board may consist of three members, one representing each of the parties, the umpire is practically the arbitrator; and I venture to say to this House that the arbitrator named in the Bill, the senior judge of the Exchequer Court, will have the confidence of the people of Canada. Consequently there is no uncertain factor as to the reliablity and ability of the umpire who will determine the amount that Canada will have to pay.

My honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) has given notice of an amendment to the Bill. It is very much along the lines of an amendment that was made by the Senate in regard to the Canadian Northern, an amendment which was accepted by the Government, and which

I think received the hearty approval of the people of Canada, and which, I have no doubt, was a restraining factor in determining the amount to be paid for the Canadian Northern. I have no doubt that when my honourable friend moved his amendment it will be discussed at greater length, and its merits may commend it to us. It is possible that the Government may see its way to accept an amendment of this character.

I need not further elaborate this subject. I have occupied a longer time than I purposed doing, but may I be permitted to say that the logic of events having forced this situation upon the Government of to-day, compelling them to take over the National Transcontinental and the Grand Trunk Pacific, and having obliged them, through circumstances over which they had no control, to take over the Canadian Northern system, and thus ultimately to establish a complete national transportation system. The Government has no other alternative than to complete and round out that system by taking over the Grand Trunk system. Then, honourable gentlemen, having taken over these systems and having assumed the responsibilities and the obligations which may be attached to the duties thrown upon them at this time, this Government, which has assumed great national responsibilities and discharged them successfully and I venture to say to the credit of the people of Canada, will be prepared to enter upon this responsibility and carry it to a successful conclusion.

Hon. HEWITT BOSTOCK: I am sure that we have listened with a great deal of interest to the leader of the Government's exposition of the Bill. He has expressed himself forcibly, and has traversed the whole history of the railway development of this country.

My honourable friend read a letter from the Prime Minister stating his position in this matter. I am sure we all very much regret that the Prime Minister himself has not been able to be in his place during the discussion of this subject, because, according to the correspondence that has been placed before us, he took a considerable part in the negotiations which preceded the bringing of this Bill before the House.

My honourable friend has dealt with the history of the railway situation of this country, and, to a considerable extent, at least to my way of thinking, he has tried to saddle the Liberal party with responsibility for the condition of things that exists in the country to-day. It is not my intention to go into that question at all, because I do not consider that that is the question which concerns the country to-day. The question we want to deal with is the question of whether or not the proposal before us to-day is a good one for the country.

My honourable friend referred to the agreement, and said that the proposal with regard to the Grand Trunk Bill and the agreement had been before the country for a considerable time, and he quoted a general statement. Although Parliament and the people of this country have known that some negotiations were going on between the Government representing the people and the directors of the Grand Trunk Railway Company representing the shareholders of that company, it was not until the 10th of October, when the resolution was introduced in the House of Commons, that the people of the country and the members of Parliament had any knowledge of the terms of the agreement which it was proposed to place before the people, and which, apparently, were considered satisfactory by the Government and the directors of the company. Therefore, although my honourable friend has said that this matter has been before the country for some time, the exact terms were not placed before the people until the 10th of October, and it is only when you know the terms of the agreement that you can really discuss the question.

My honourable friend has said that a great deal of money has been put into these railways. He states that the Grand Trunk Railway Company, has put some $120,000,000 of guaranteed stock and cash into the Grand Trunk Pacific, and that the Government of Canada has also put a large amount of money into it. As I understand it, at the present time the country does not know exactly in what position it stands with regard to the Grand Trunk Pacific—whether we have assumed all the liabilities of the Grand Trunk Pacific or not. My honourable friend in his remarks referred to the Grand Trunk Pacific as if we had practically taken it over. Of course, it is in the hands of the Government, the Government having appointed a receiver; and from the remarks of my honourable friend I would consider that he thinks that we have practically assumed all the liabilities of that system.

My honourable friend talked about a mandate from the people. He attacked the Liberals because of the amount of money they had spent, and the policy they had adopted with regard to the National Transcontinental and the building of the Grand Trunk Pacific; but that arrangement in 1903 was made with the directors of the Grand

Trunk of that day. They, I think, were considered to be thoroughly competent and capable business men, men who had just as much ability in looking to the future railway development of this country as any man in Canada to-day. They went into the question with their eyes open, and made an agreement with the Government which they must have considered at that time was a good agreement for their company, and one which would give them an opportunity of getting business for their railway in the West. A difference arose between the Grand Trunk Railway Company at that time and the Government because of the fact that the Grand Trunk wanted to build its line from North Bay westward, while the Government desired to have a line which would pass through Canadian territory only—a line that would develop the ports of St. John and Halifax, on the Atlantic, and Prince Rupert on the Pacific, so that Canada would have outlets for her trade both in the East and in the West. One of the strong arguments advanced at that time was that the building of the National Transcontinental would obviate any difficulties that might arise between the United States and Canada over the question of the bonding privilege. The Government, therefore, considered it advisable in the interest of the country that the National Transcontinental railroad should be built, so that we should have a railway which would be entirely on Canadian soil, making Canada entirely independent of the United States.

The question of a mandate from the people was before the country on two occasions, and on both these occasions the Government of that time was upheld. The people had the whole situation before them; they considered it and apparently were quite satisfied with the policy that was pursued at that time, for they returned the Government of the day to power. Therefore, if it was a question of a mandate from the people, we can assume that the people were fairly satisfied with the policy then laid down.

My honourable friend spoke of the present policy as having been before the people in 1917; but the only way in which that question could have come before the people in 1917 would have been through the Drayton-Acworth report, and I have no recollection of any mention being made at that time of the proposals contained in that report. In fact, I think honourable gentlemen will remember that when that report was first brought up in the House of Commons, some members of the Government were disposed to take the view that the report was not accurate, and that certain questions had been overlooked in dealing with the matter; therefore my impression is that the Drayton-Acworth report was not then held in as high esteem as it appears to be at the present time. I do not think my honourable friend can maintain, as he has tried to do, that the Government of the day has a mandate from the people to deal with this railway question in the manner proposed at the present time. I think that what we have to do is to consider the whole question from the point of view of what is in the best interests of the country to-day.

My honourable friend has referred to the question of the nationalization of railways. He has shown that we have in Canada to-day a very large system of Government-owned railways and railways operated by the Government. Therefore I do not consider that the general question of nationalization or government ownership of railways is before the people to-day. For the time being we are committed to it, and, as I have already said, we have to consider this question from the point of view of the best interests of the country, and whether the proposal placed before us by the Government is the wisest and best one that could be made under existing conditions.

My honourable friend referred to the fact that Canada had put one billion dollars or more into the railways of this country. Now, the Government proposes that we should take over the Grand Trunk system and become responsible for its operation. My honourable friend did not tell us what amount of money we would have to put into railways in the United States by reason of that action. I listened very attentively to his speech to see what he would say as to our position in dealing with the question of those roads in the United States. Honourable gentlemen who have considered this question have probably realized that the taking over of the Grand Trunk railway necessitates the taking over of some 1,665 miles of railways in the United States, which may entail the expenditure of large sums of money to be put up by the people of Canada for the operation, upkeep, and development of those roads; and when we consider the condition of the country to-day, and remember that we have already put up the large sums which my honourable friend has mentioned for the building and main-

tenance of railroads in Canada, we may well pause and very seriously consider the proposal that we should enter upon such a policy as that which is proposed.

I should like to refer to a few considerations in regard to this matter. The other day the ex-Minister of Finance, in speaking before a Committee of the House of Commons, pointed out the very serious condition of the country from a financial point of view. The position that he took there was that in the interest of the country we must be very careful in watching the country's expenditure at the present time, and in considering how we spend our money and the return that we are going to get. He pointed out that the expense under which Canada was labouring at the present moment is a very heavy one for a country with a population of 8,000,000, and that this loan that the Government is now forced to ask the people of Canada to subscribe to is not the last loan that we shall have to raise in order to carry on the business of the country. The situation, as honourable gentlemen who consider it will realize, is a very serious one. The loan that we are now dealing with is to amount to $300,000,000 or $350,000,000. A great deal of that money has already been forestalled by the Government. The expenditure that we are under and have to meet will be very considerable, and will necessitate a further loan at a later date.

Figures were given the other day in another place which struck me as indicating a very serious state of affairs which has not yet been brought to the attention of the country. It was stated that the gross indebtedness of Canada to-day amounts to $3,080,391,478. There are, of course, assets to be placed against that; but it must be remembered that on such a large sum of money the interest has to be paid; and the question is whether the assets that we have to place against this large sum of money are paying interest or are costing the country more than they are earning. Now, if we consider the money which, according to our blue-books, we have invested in railways, we find that the Government railways—the Intercolonial railway, the Prince Edward Island railway, the New Brunswick and Prince Edward Island railway, the International railway of New Brunswick, the Quebec and Lake St. John railway, and the National Transcontinental railway—are put down as standing the country to the extent of $302,839,443. When, after looking at that large figure, we examine our national assets to see whether we are getting any return on that money, we find that the total deficit on those railways for the last year amounted to $6,194,768. With regard to those railways, of course we all recognize that we never pay any attention to the question of obtaining interest on that money; those railways are not supposed to earn any interest; but we find that besides earning no interest they are costing us over $6,000,000 a year for operation.

In addition to that, as my honourable friend has said, we have had to take over the Canadian Northern railway. The liabilities of the whole Canadian Northern system have been given as $434,312,747. Again, we find that, as that system stands to-day, instead of getting any money out of it which would help towards paying the liability for interest, we are obliged to find not only the money necessary to pay the interest on the liabilities, but also the money to pay the deficit on the operation of the road. The information was given the other day in another place that this year the probable deficit on the operation of that road will amount to $5,587,028; and the interest on those liabilities has been placed at somewhere about $19,000,000; so there is a total of $24,587,028 that we have to find in connection with that railway system. That is one of the assets for which we have to pay a considerable amount of money.

My honourable friend has left on my mind the impression that, in addition to those sums of money, we have also to take into account the liabilities of the Grand Trunk Pacific. The figure given in the blue-book for the Grand Trunk Pacific is $216,-253,111. Adding all those items together we get the large total of $953,405,301 as the liabilities that we have assumed. The assets do not pay the interest on the liabilities, or the working expenses; for the information given in the blue-book regarding the Grand Trunk Pacific shows that there was a deficit for the year 1918 of $10,-316,379. That, to my mind, honourable gentlemen, is a serious condition for this country. My honourable friend has said that the people of Canada are a great people—that they are able to deal with questions in a way possibly better than other countries in the world; that they have more energy; that they have possibly more ability; but I think that, even when it has such assets and is such a virile population, able to cope with difficulties, it is very unwise for a government to continue piling trouble and responsibilty on the shoulders

of its people without taking into proper consideration the questions with which it is dealing.

I have ventured to trouble the House with those figures for the purpose of trying to bring home to honourable gentlemen the condition of our railway system at the present time, and in order that they may realize what the addition of another railway system is going to mean. If any of those systems that we are operating at the present time were being run successfully, the situation might be different; but when you come to count up the figures and find that we are losing money, you realize that the situation is a very serious one for the Dominion of Canada, and we should very carefully consider this proposed agreement before we adopt it and thereby place a further liability on the shoulders of the people of Canada and add to the debt of the country.

The figures that I have already given show that we have at the present time to reckon with an expenditure of $41,098,175, and that that money we actually have to find for the purpose of running the railway system that we have on our hands at the present time. In addition to that, as honourable gentlemen will remember, we have to find the money for the betterment and improvement of these roads. Last session we had to vote considerable sums of money for the purpose of providing rolling stock, betterments, and improvements on the roads. It was stated the other day that the Government had spent on the Canadian Northern Railway system, since taking it over in 1917, the amount of $85,821,628, and on the Canadian Government railways to the 1st of March, 1919, $68,747,919. That is in addition to the money that we have to find for the purpose of providing the interest and the cost of operation of those roads. And we have to consider these large figures of expenditure in the face of a condition in which the country cannot possibly hope to make our revenue meet our expenditure. Therefore we shall be increasing our debt for some years to come unless we can find a way of improving our position and making the railways pay their operation expenses.

When we come to the proposal that the Government is now placing before us, we find that the Grand Trunk Railway Company has laid before this House a balance sheet showing the condition of the company, from which it appears that the liabilities total $504,629,211. As against that, assets are given which, I think, require examination by honourable members of this House.

In the first place, the property investments in road and equipment are given at $434,990,999. We have had no statement from the Government to show what is the position of the road to-day—what is the condition of the road-bed, or the condition of the rolling stock and the equipment; and there is nothing to show whether the condition has been improved since the report was made by Messrs. Drayton and Acworth in 1916, or whether it has deteriorated. The report made in 1916 stated that the Grand Trunk Company proper has made unjustifiable charges to capital; that its lines have not been adequately maintained; that more than $21,000,000 which ought to have been spent on maintenance in past years, has not been spent; and that there was a further expenditure of $30,000,000 necessary in order to put the road into proper shape. That totals $51,000,000, which at that time, according to the Drayton-Acworth report, was required for the purpose of putting the road in proper condition so that it could be operated to the greatest advantage.

As I have stated, we have to-day nothing to show what is the present condition of the road. The Drayton-Acworth report having been made in 1916, the assumption is that it represented the condition of the road in 1915. Now, we know that during the war these railways have had a great deal of work to do and that they have had great difficulty in getting improved engines and rolling stock; so the probability is that the rolling stock has decreased in value to a considerable extent. In addition to the information that is given in this report, we should have, I think, a proper statement by engineers and business men, showing the true condition of this railway at the present time. With regard to other assets that are mentioned here as part of the assets of this company, we find that a considerable sum is put down as current assets—sundry outstanding accounts. There is an amount mentioned of $43,838,831. If any honourable gentleman looked at those current assets, he would naturally assume that they were assets that could be realized on and turned into money fairly easily—that they would represent something different from advances to railway companies for the purposes of building roads, or to terminal railways, and other matters of that kind. The Grand Trunk Railway Company has really provided this money for the purpose of helping companies over difficulties. Instead of their having to go into the market and sell their stock, the Grand Trunk Railway Company has put the money into the hands of these

different railway companies, and now reckons them as assets. They are in a certain degree assets, but they are not easily realizable, and if the Grand Trunk railway is in the position which my honourable friend has led us to understand it is in at present, when he spoke of the possibility of the railway having to go into the hands of a receiver, it is very doubtful that those assets could be realized upon.

There is only one item in the list of assets that I have found which might be easily realized on, and that is the amount which is stated to be due by the United States Railway Administration, $7,955,472. The rest of those assets seem to be tied up in some advance on debenture stock and for the operation of roads, and the building of parts of roads, and I think they should not be stated as current assets at all. It is very doubtful whether they can be realized upon.

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

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.

REPRESENTATION IN THE SENATE.

On the Orders of the Day:

Hon. Mr. DONNELLY: Honourable gentlemen, I desire to call the attention of the Government to a condition of affairs which in my judgment seriously affects the people of the province of Ontario. The British North America Act provides what representation each portion of the Dominion of Canada shall have in the Senate of Canada. It provides that the province of Ontario shall have 24 members, that the province of Quebec shall have 24 members, that the Maritime Provinces shall have 24 members, and also provides for the other provinces. In the Senate to-day the Maritime Provinces have full representation, the province of Quebec has full representation, the three prairie provinces are fully represented, while the province of Ontario is represented by only 21 members. We have now before the Senate a Bill which vitally affects the people of the province of Ontario. The great bulk of the Grand Trunk railway is located in the province of Ontario, and, speaking as a senator from that province, I think it would be unfair if this question were decided without Ontario being fully represented. I therefore desire the honourable leader of the Government in this House to bring this matter to the attention of the other members of the Government, that such action may be taken that the province of Ontario shall be fully represented in this Chamber before this measure is finally disposed of.

GRAND TRUNK RAILWAY ACQUISITION BILL.

FURTHER CONSIDERATION OF MOTION FOR SECOND READING.

The Senate resumed from this morning the consideration of the motion for the second reading of Bill 33, an Act respecting the acquisition by His Majesty of the Grand Trunk Railway system.

Hon. Mr. BOSTOCK: Honourable gentlemen, when the House adjourned this morning, I was dealing with the question of the assets of the Grand Trunk Railway Company, and was pointing out some of the items that were given in the list of assets amounting to $43,838,832. There is one item that I want to point out to the House in that connection. It refers to loans to the Central Vermont railway for construction and general purposes, amounting to $8,355,964.71; and that is put down as an asset of the Grand Trunk Railway Company. A question has been raised in regard to a railway known as the New England Southern railway, which has some connection with the Central Vermont. The statement has been made that that amount was spent on that New England Southern railway for certain work, and that the work is practically of no value inasmuch as the construction of that piece of road has been abandoned. It has been further stated that there is a lawsuit in connection with that matter which may involve the Central Vermont railway in a liability of some $3,000,000, and, as the Grand Trunk railway has of course the control of the Central Vermont railway, and is responsible for that railway, it means that the Grand Trunk railway is responsible for that lawsuit, and for the liabilities connected with it if the lawsuit should go against the Central Vermont Railway Company. I mention this fact because I want to show to the House the nature of the assets included in this list of assets of the Grand Trunk Railway Company; and, inasmuch as we have had no explanation from the leader of the Government in regard to these assets, I desire to bring the matter to his attention and to the attention of the House in order that we may get further information upon the subject. I do not wish to take up the time of the House in going through all the items, but I think

that one is so important that we should have further information upon it.

My honourable friend this morning led us to believe that possibly at some future date the Government would contemplate turning this whole system over to other hands. I think the words he used were that the Grand Trunk Railway system would round off the present government system of this country, and that there was a possibility that the Government might feel disposed to turn this whole system over to some large company. If we take the figures which I gave this morning, showing the amount of money that the country has already put into railways, and add to that amount the liabilities that the country will have to assume if they take over the Grand Trunk railway, which would make a total of some $1,500,000,000 for these railways, I think it is very doubtful if any company would be prepared to pay that amount to Canada, or to assume a liability of that kind for the purpose of relieving the country of the operation of these roads. The suggestion that was made by the leader of the Government is, I think, something absolutely new to the country. I do not think any member of the Government has ever before suggested that after these railways have been in the hands of the Government they should be handed over to a company.

Hon. Sir JAMES LOUGHEED: I did not say that. I said the Government would be in a position to do that, if they so desired, after having an opportunity of testing government ownership.

Hon. Mr. BOSTOCK: Well, this is the first time the suggestion has been made. There is another point with regard to that. We are arranging under this proposal to guarantee certain stock of the Grand Trunk Railway Company. A good deal has been said about Canada guaranteeing this stock —that the shareholders of the Grand Trunk Railway Company are going to be placed in a very much better position owing to this guarantee of over $60,000,000 of stock than they would find themselves in if their dividends were payable subject to the earnings of the company. If this transaction goes through and these people receive this guarantee of 4 per cent on their shares, I think they would be very much disappointed, and would be very liable to object strongly to any arrangement which would take away from them Canada's guarantee on account of their shares. By this guarantee we would be putting these people in a very much better position than the one which they occupy to-day, when they are dependent simply upon the earning power of the Grand Trunk railway itself to pay them interest on their money. That is a question that has been very fairly discussed, and honourable gentlemen are probably so fully informed of all the details of it that I need not go into the matter any further. But when we are dealing with this matter we want to bear in mind that we are placing not only the debenture-holders but the holders of guaranteed stock and the other shareholders of the company in a very much better position than they are in to-day.

In taking over this railway we are taking over a large number of miles of railway in the United States, and that raises a question which I think has not been raised before—the question of the Canadian Government, either directly or through a company, operating lines of railway in the United States. The other day the following article appeared in the Journal of Commerce, published in New York. It is dated Washington, the 29th of October, and reads:

> The prospect of acquisition of the Grand Trunk Railway system by the Canadian Government under the Bill now pending in the Dominion Parliament does not come without attention to the matter in official quarters in Washington. Senator McCormick of Illinois today introduced a resolution in the Senate directing the I. C. C. "to investigate and report to the Senate the facts in connection with the present or prospective ownership or control by the Government of the Dominion of Canada either directly or through the ownership and control of the stocks of any corporation or company of any line of railway or part thereof, situated within the territory of the United States, together with a statement of the mileage of said railroads."
>
> The resolution was referred to the I.C.C. and will be taken up for consideration at the meeting of the committee Friday with a prospect that it will be at once reported out for speedy adoption by the Senate. While the McCormick resolution does not mention any particular railway that may become the property of the Dominion Government, the Illinois senator said the object was to deal with the situation that presented itself in connection with the action of the Canadian Parliament in passing a Bill to acquire possession of the Grand Trunk system.

Further on the article says:

> One of the first difficulties which may arise under the ownership of Canada is that Canadian interests will oppose the development of Portland and Chicago as terminals to the disadvantage of Dominion ports. This would inevitably lead to a controversy with this country which would oppose the drying up of the facilities already in existence.
>
> The question of the ownership of a right of way through the United States by a foreign

government would also raise a delicate point. Refusal of the British Government to permit such control is a policy of long standing, and was emphasized some time ago when Great Britain refused to allow the construction by American interests of a cable line between points of the British Empire.

There is believed to be no precedent which would indicate the policy of the State Department in this case. The United States itself, it was stated to-day, has no such holdings in foreign countries. The situation in Panama has special features, due to the particular relations of that country with the United States, which would not apply in a controversy with Canada.

Congress has always been jealous of foreign control of any corporations, especially involving means of communication in this country, and special legislation has been enacted in recent years against the ownership of the majority stock of domestic corporations by alien interests. Similar legislation has been enacted against the ownership of land by aliens.

These laws may be held applicable to the Grand Trunk case, and it is not considered improbable that opposition would be aroused against retention of control of the 1,500 miles of track by the Canadian Government.

I have read that to the House because I think the House ought to be seized of the position that the Canadian Government will be placed in by taking over the Grand Trunk system. I do not propose to discuss this matter at length, because I think there are in this House honourable gentlemen who can probably go into details of the question much better than I can; but I have brought this statement to the attention of the House because I think it shows some of the difficulties that the Canadian Government are bringing on Parliament and on this country in taking over the Grand Trunk system. The whole question is one fraught with very great difficulty, and may cause considerable trouble in the operating of the road. All those who know about the operation of railways must realize that it will be much more difficult for the Canadian Government to operate the roads in the United States and get business in that country against the keen competition of the other roads than it has been in the past for the Grand Trunk and their officials. I think the natural feeling of any business man who had freight to ship over the railways from one point in the United States to another would be to prefer to help the railways that are owned and operated by their own people rather than turn the business over to a system of railways owned and operated by the people of Canada. From that point of view the outlook for the operation of this road by the Canadian Government is not a favourable one. We are likely to find that the returns on these roads, which to-day, according to the blue-book issued by the Government, are not sufficient to pay all the fixed charges, will be still further decreased when the roads come into the possession of the Canadian Government. It would probably be found that the amount of money which Canada would have to put up would be greatly increased over what this blue-book states it to be at the present time. If honourable gentlemen have the book before them and will turn to page 27, they will find, under the heading, "United States Affiliations," this statement:

> By book figures of December 31, 1917, these roads show a deficit of $1,302,154. To this must be added deficit of Central Vermont of $154,729 not shown in Grand Trunk Railway Company's statement. This however, does not show the deficit for the Atlantic and St. Lawrence, which for 1917 was about $1,200,000. Thus making over $2,600,000 as the income cost to the Grand Trunk railway in 1917, for the American railways.

So, with the efficient management by the Grand Trunk railway, their American roads apparently cost them $2,600,000; and, as I have said, in all probability, if the Government of Canada were operating those roads, they would find that the cost, instead of being reduced, would be considerably increased.

The question of building up a port in the United States as against our own ports in Canada is, I think, a matter which is very serious for this country. As I have already said, when the National Transcontinental was projected, it was the policy to keep the business of Canada in the country and to develop as far as possible our own ports in preference to shipping goods through American ports. But when we get this railway system into our hands we shall be in the position of sending our goods miles out of the way, and letting a line of railway with a terminal at an American port go without freight, in order to build up our own ports. My honourable friend from Halifax (Hon. Mr. Power) the other day gave us figures as to the distances from Montreal to St. John, Halifax, and Portland. The distance from Montreal to Portland is 297 miles, and the distance from Montreal to Halifax by the Intercolonial 841 miles—a difference of 544 miles in favour of Portland. The distance from Montreal to St. John by the Intercolonial is 741 miles, there being a difference in favour of Portland of 444 miles. Then, if we take the Canadian Pacific we find that from Montreal to Halifax the distance is 755 miles, and from Montreal to St. John it is 580 miles. Honourable gentlemen can see that the advantage in favour of Port-

land is very considerable, and that the freight business of the country is much more likely to go to Portland than to go the extra distance to St. John or Halifax, because, when the freight arrives at a point like Montreal, the question of distance will be considered by every business man shipping goods to the Atlantic or elsewhere.

Now let us consider the question of the Bill itself. The Bill as submitted to us provides for an agreement, and it gives certain particulars as to what that agreement shall contain; but those particulars are given only in a general way. Clause 9 of the Bill says:

> The Government and the Grand Trunk, and each company comprised in the Grand Trunk system, and all persons interested therein, are hereby respectively authorized and empowered to enter into the said agreement upon and subject to the terms herein set forth, and to do and perform all such acts and things as may be deemed necessary to observe, perform and comply fully with the terms and conditions of said agreement.

But the agreement itself with the conditions is not fully set out in this Bill so that honourable gentlemen may understand what the agreement is going to be. I think that Parliament and the country are entitled, before giving their assent to this proposition, to know exactly what the agreement is going to contain.

My honourable friend (Hon. Sir James Lougheed) referred this morning to the action of the Government in 1903. But at that time, when the proposal was brought down to Parliament, the whole agreement was set out in the Bill, and Parliament and the country had an opportunity to study the agreement in all its details and to know exactly the position and understand what would be the liability of the country under the arrangement. I think that we are entitled before entering into this arrangement to have the full agreement submitted to the House and the country, and that we should not be asked to comply with the agreement until that is done. In 1881, in regard to the Canadian Pacific railway, the whole agreement between the Government and the Canadian Pacific Railway Company was set out in the Act passed in that year, so that the people could see exactly what the country was agreeing to and could discuss the terms in all their details. But on this occasion the Government come before Parliament and ask that they be given a more or less free hand in making the agreement—that they be allowed to draw up such an agreement as they think fit, and we are at present asked to ratify the agreement before knowing what the details are. On the other hand, the shareholders of the Grand Trunk Railway Company will have the agreement placed before them at a meeting specially called for that purpose, and will be asked to consider it. They will thus be placed in the position of being able to reject or accept it as they think fit. The Government has not, apparently, thought it necessary to take into consideration the wishes and desires of the people and the Parliament of Canada to the same extent as the Grand Trunk Railway Company directors seem to have taken into account and considered the wishes of their shareholders. I think that the Parliament of Canada is entitled to as much consideration as the shareholders of the Grand Trunk Railway Company, and that we should not agree to this Bill becoming law until the full details of the agreement are brought down so that we may know exactly what we are agreeing to.

There is one other question which I desire to bring before the House: that is, in regard to the financing of these railway companies. The other day, in answer to a question that was placed on the Order Paper, the honourable leader of the Government brought down a reply, which was handed to me, but has not, I think, appeared in Hansard. It may be of interest to put this matter before the House in order that our position with regard to the financing of these railway companies may be understood. The statement that I hold in my hand shows the proceeds of notes sold to the public between October 1, 1917, and August 31, 1919—these are notes issued by the Canadian Northern railway:

	Proceeds.
C. N. R. 5% guaranteed secured notes, £2,000,000	$ 9,490,000
C. N. R. 5% guaranteed secured notes, £1,650,000	7,829,250
C. N. R. 5% guaranteed secured notes, £1 049,800	4,983,123
C. N. R. 6% collateral trust notes, $10,000,000	10,230,148
C. N. R. 5½% secured notes, $1,250,000	1,244,087
C. N. R. 6% equipment issues, $20,000,000	19,095,000
	$52,871,608

These notes are issued as notes of the Canadian Northern Railway Company, but we are placed in this position, that, inasmuch as the Canadian Northern railway is now a Government railway, it adds to the liabilities of the Canadian Government and they have to stand behind these notes. The notes really become a liability of the Cana-

dian Government, and to that extent they are part of the debt of the country.

The statement goes on to show the expenditure of the lines on construction, betterments, and equipment between October 1, 1917, and August 31, 1919:

Construction of lines..	$ 9,691,085.62
Additions and betterments.. ..	10,669,835.88
Equipment (locomotives, cars, etc..	35,985,637.35
Making a total of money spent..	$56,346,558.85

That is the amount that has been spent on the Canadian Northern railway from the 1st of October, 1917, the date on which that railway was taken over by the Government, up to the 31st of August of this year. As honourable gentlemen will no doubt remember, we have in the last two years been voting in the estimates a sum of money as a loan to the Canadian Northern railway to provide for this expenditure of money, and it would appear from the figures here given that the Canadian Northern railway has utilized those loans up to within about $7,000,000 of the amount that has been voted. The amounts voted up to the end of next year, I think, total about $60,000,000.

I have placed this statement before the House because I thought it was of interest to show the way in which the financing of this railway business is being done at the present time.

The Bill that is now before us has been spoken of as an arrangement made between Canada and the railway company, and the Government have referred to it as a generous arrangement. They claim that they did not wish to make too hard a bargain with the shareholders, that they wished to be generous in the interest of Canada, because apparently, they thought it would be of disadvantage to Canada if they were not generous in dealing with the matter. I think that the shareholders of the company are people who have been accustomed to business transactions, and who appreciate things being done in a businesslike and straightforward way; and I should think they would desire that any dealings with them should be on a business basis, and I do not think they would expect the Dominion of Canada to enter into any arrangement of this kind on any other than a fair and proper business basis, looking to what would be their treatment of the shareholders, and what it would be fair for the people of Canada to pay for a railway system which has been part of the life of Canada for a great many years, and which has done a great deal to build up this country, especially the eastern part.

The company themselves made a different proposal to the Government. The Government turned down that proposal, and I think that possibly not sufficient attention has been paid to it. The proposal was made from London, and was presented to the Government on the 18th of February, 1919, and read as follows:

> On my arrival in London I informed the Chairman and Board that in an interview with you just before I left I drew the conclusion that you would be willing to consider proposal looking to the Grand Trunk working with the Canadian Government railways in place of the Government proposal to purchase. I have accordingly suggested to the Board that the Government should take over Grand Trunk Pacific Railway and the Branch Lines Company, repaying to the Grand Trunk all indebtedness, and that Grand Trunk should enter into a traffic agreement with the Government by which Grand Trunk should become the eastern connection of the Canadian Government railways and the Canadian Government railways should become the western connection of the Grand Trunk, interchanging at North Bay; Grand Trunk to operate at cost all the eastern lines of the Canadian Northern railway; Grand Trunk to undertake to spend upon improvements and additions to its terminals and other facilities such portion of the money owing by the Grand Trunk Pacific Railway and Branch Lines Company, which would be repaid by the Government and which might be necessary for the efficient handling of the combined through business. This plan would enable the company to continue operation of its American lines and secure all of the advantages therefrom both to the Company and to Canada by reason of the control and movement of international competitive traffic over its lines and through Canada.
>
> Howard G. Kelley.

Sir Alfred Smithers' name appears underneath, I suppose endorsing the proposal made by Mr. Kelley. Then there is a reply from the Acting Premier, Sir Thomas White, dated the 19th of February, 1919. It is addressed to Mr. Kelley in London, and says:

> Replying your message received through Scott, your conclusion respecting our interview entirely unwarranted. Proposal made in your cable cannot be entertained.

That was a counter proposal made by the Grand Trunk Railway Company, and I think it might have been taken as a basis of negotiation between the Government and the company, and I believe that possibly a better arrangement could have been worked out along those lines than will result from the proposal that the Government now bring forward. I have laid this before the House, as I think that point should be considered. If such a proposal were adopted, it would place the country in a much better position to deal with those railways in the United States.

I must apologize, honourable gentlemen, for the length of time it has been necessary to take to deal with this matter, and for the number of figures that I have had to lay before the House. I have tried to show that we require further information before we can properly deal with this proposal. I think the country and Parliament are entitled to further information. I think that they most certainly should have the agreement before them so that they can study it in all its details before they are asked to deal with it. I do not propose at the present time to move any amendment to the motion made by my honourable friend, but at a later stage there will no doubt be an amendment moved in regard to this matter. I say again that both Parliament and the country are entitled to further information, and I think that they should thoroughly understand the agreement and the liabilities that they are taking upon themselves or will take upon themselves if this Bill should become law.

Hon. W. B. ROSS: Honourable gentlemen, I think that any person dealing with this very important Bill, wishing to get at its merits, could do so by working along the line of three inquiries. The first is: what are we getting under the Bill? Second, what are we paying for what we are getting, or what will we have to pay? What we shall have to pay may not be altogether cash; it may be that along with large sums of money we may have to pay something in the way of our national independence on account of having to submit 1,600 miles of the road to the absolute jurisdiction in the first instance of the National Government at Washington, and then, with regard to intra-state freight rates and passenger rates, to the jurisdiction of seven or eight state legislatures. You may lose something else besides your money: you may lose something with regard to the unification of the Dominion of Canada. You may find that this Bill strikes at the old policy that was propounded, at all events so far as the Maritime province people could understand it, as an attempt to direct trade east and west, not north and south, and to make one nation out of Canada.

Then, there is a third question that still has to be considered. Assuming that the price you will have to pay is reasonable for what you are going to get, it may be that this is not an opportune time to make the bargain at all—that the circumstances of the country may be such that everything points to the wisdom of letting the matter stand over until your financial condition is better, and until you have more information not only with regard to this enterprise, but with regard to the working of the public railroads that you now have.

I am going to be as brief as I possibly can, but before taking up this question in detail I wish to say that any vote which I give will be based entirely upon my own study of the question. I nave not been asked for my views by any member of the Government, or by any member of the Opposition; I have not been asked for my views by anyone in this House, or by anyone outside of it. There never was a Bill about which I heard less, and what I have to say is based entirely upon my own study of the Bill.

There are one or two questions that have to be dealt with as preliminary to others which I have mentioned. In the first place, on what footing are you going to deal with the Grand Trunk? My proposition with regard to the Grand Trunk and the Grand Trunk shareholders is that they should be on the same footing as the people of Canada—no better and not a bit worse. It may be said that the shareholders do not claim or are not asking to be put in any better position than the people of Canada. That may be, but they may propose legislation, or a contract that involves that, and it is necessary to examine the contract and see whether that is so. A man may get up in this House and tell you that he is a democrat to the hilt, and then he may bring a measure down that would make the hair of King John stand on end. A declaration is one thing, but the practical working out is another.

In the press and in Parliament, there have been, if not open statements, at least intimations that in some way or another the Grand Trunk never got fair play with regard to the Grand Trunk Pacific. I deny any such insinuation, and will produce the evidence of the President of the Grand Trunk to show that the Grand Trunk Pacific Railway contract was his own conception. It is perfectly true that Sir Wilfrid Laurier and his party tacked the Transcontinental onto that, but that does not concern us now, because that has been stripped off, and what is left is the original proposition of the Grand Trunk Railway Company. They are responsible for everything connected with the Grand Trunk Pacific, and consequently they will have to be treated as I would be treated, or as any other Canadian would be treated. It may be that they made an error of judgment, or that it was bad business condi-

tions. I do not say it was; but I certainly assert that the war taking place was their misfortune. I am a shareholder in three companies that have paid no dividends for four years, and it may be three, or four, or five years before they resume paying dividends. They were temporarily wrecked by the war; and the same thing is true of hundreds of companies. Some companies made money during the war. A man with a tug or a schooner or a little factory only had to open his mouth, and the money rolled into him; but there were other things, like electric tramways, that went to ruin. Almost every electric railway on the continent passed into the hands of a receiver. Take the case of a Canadian who has shares in many of these companies that have defaulted in their dividends; what happens? They go to their neighbour and say, "I want a law passed to provide dividends for me." The proposition would be preposterous. Further than that, if any one of those men, selling his property, were asked, "What do you value your property at?" and he said, "The value in 1913, before the war, was a pretty large sum, because it was paying 7 per cent," the purchaser would say: "That is not the case to-day; you have paid no dividends for four years; you owe money and the way to put a value upon your property is not upon the basis of 1913, but upon its value to-day." That arises from the fact that the whole thing is a matter of contract, and is settled on business principles. Now, I want to find out just where the Grand Trunk stands, and on what principle you are going to deal with it—whether you are going to fix the value as mentioned by the Minister of the Interior, as of the state of things in 1913, or as they are to-day, or when you take over the property. There is a difference of millions between the two points of view.

I want to get clear of that subject for the present; but before doing so I ought to point out to you that in 1903, when this Grand Trunk Pacific business was first mooted, the President of the Grand Trunk was a man by the name of Sir Charles Rivers Wilson. He was made President in 1895, and continued to be President until 1910, a period of fifteen years. He was at one time an expert in the British Treasury, and for years worked under Mr. Gladstone and afterwards under Sir William Harcourt; and then he went to Egypt and wound up the financial difficulties of that country. He had quite a series of battles with the Khedive of Egypt and the Sultan of Turkey, and he trimmed them both. When he came home he was made president of the Grand Trunk, and in 1903 and 1904 he had with him Mr. Hays, who was also a man of continental reputation. It is absolutely preposterous to say that there was in Canada any combination of men that could have got the better of Sir Charles Rivers Wilson and Mr. Hays in a railway contract. I do not believe a word of it; and, if you look over the correspondence between their successor, Mr. Smithers, and the Government, you will doubt very much if there is a man in the Canadian Government who can quite get the better of Mr. Smithers. So there need be no difficulty or no doubt at all about the Grand Trunk having been well represented and having taken good care of themselves. That being so, the proposition that I submit would be that they have to be dealt with on the basis that you would deal with any Canadian citizen: What they contract for they get, but they are not entitled to add to their contract any more than I am entitled to do. Now, I do not want to be misunderstood on this point. I have not a word to say against the English shareholders. That is to say, I have no prejudice at all; my feeling is quite the other way. I would treat them with exactly the same fairness as if they had been born and were living in Canada. And if they get that treatment, I do not think they should have anything to complain of. It is all very well for a combination of persons who may be interested in these stocks to hire space in a newspaper and say that if Canada does not use the stockholders of the Grand Trunk generously and well we cannot go to Europe and borrow money. If Canada in the future, as she has done in the past, stands by her contracts even when they happen to be injurious to her, and shows that she is always and everywhere loyal to her contracts, she can go into any market in the world where there is money to lend, if she has security to offer, and can borrow money, in spite of all these threats about what is to happen to us if we do not depart from the principle of contract and find some new principle for valuing the stocks of the Grand Trunk.

Allow me to read a short paragraph about the origin of this matter, and then for the present I will drop this subject. This is from the Life of Sir Rivers Wilson—his reminiscences—written by himself:

> The most important event connected with my presidentship was the conception and partial construction of the Grand Trunk Pacific railway, as the auxiliary and close ally of the

parent company, with the assistance and encouragement of the Canadian Government. The idea as first contemplated was to open up railway communication in connection with the Grand Trunk system to the Pacific. In the course of negotiations it developed into a still larger scheme of a continued line of communication from the Atlantic to the Pacific. This extension of the original plan emanated from the Government of Canada, who considered that the opportunity had arrived for the construction of a new transcontinental line through Canadian territory from the Atlantic to the Pacific. The idea eventually adopted was that while the line should be constructed and worked as a complete unity, the portion westward from Winnipeg should be the property of the Grand Trunk railway working by means of a separate corporation (the Grand Trunk Pacific), the shares of which would belong to the Grand Trunk shareholders; while the eastern portion from Winnipeg to New Brunswick was to be built by, and at the expense of, the Canadian Government, who would lease it to the Grand Trunk railway when finished. Certain financial assistance in the way of subsidies and guarantees was to be accorded to the Grand Trunk Pacific Corporation by the Government. It was not without considerable trouble, and after meeting with much party opposition, that Sir Wilfrid Laurier was able to carry his scheme in the Dominion Parliament.

Now, this is the important thing. He says:

I first presented the proposed new policy to the shareholders at the general meeting in April, 1903, and in March, 1904, I had to lay before them the complete and enlarged scheme. Although a certain amount of opposition was expressed, I had on the whole not much difficulty in carrying the necessary resolution; in fact, during the whole course of these transactions Mr. Hays and I were well supported by the board, with the exception of one somewhat timid member who resigned his seat on account of the increased liabilities which he was apprehensive would be incurred by the shareholders.

Hon. Mr. GORDON: He was a man of some sense.

Hon. Mr. ROSS: Now I think I can drop that subject for the present with this statement, that according to the version given by Sir Charles Rivers himself, the Grand Trunk Company knew what they were doing, and were not shoved by anybody. They were quite well able to take care of themselves and they are here on the basis of contract and on nothing else.

Another point to which I wish to refer. It has some slight connection with this matter. You will find in one of Mr. Smithers' letters a sort of whine over the Grand Trunk—that they did not get as much as the Canadian Pacific got or as the Canadian Northern. Now, there are two answers to that. In the first place, they got what they contracted for. That is probably the best answer. The Canadian Pacific got what they contracted for; so did the Canadian Northern. But, even going back of that, I am not so sure that relatively the Grand Trunk did not get just as much as either the Canadian Pacific or the Canadian Northern; for, as a matter of fact, the Grand Trunk was built in an inhabited country, and the day the road was opened the company began to earn some money; but any one who was through the Northwest and knows anything of what it was like at the time the Canadian Pacific railway was built, will know that it was then an uninhabited country. The country all around the north shore of Lake Superior had not a soul in it, except the trapper, and from Thunder bay into the Red river there were not fifty persons outside of perhaps two or three dozens working around the railway stations. Then there were the Red River settlement and Portage la Prairie; but from Brandon to the foot of the Rocky mountains there was no one. It is one of the most marvelous things in the world how the Canadian Pacific railway held on until population went into that country; and to draw any comparison between the Grand Trunk and the Canadian Pacific is, to my mind, simply out of the question. This is a mere matter of opinion, of course; but I think that the Grand Trunk perhaps got the better of the two transactions, assuming that they are to be given the $15,000,000 which was lent and which they have not repaid.

Hon. Mr. MURPHY: Was not the Grand Trunk Pacific in a similar position?

Hon. Mr. ROSS: About what?

Hon. Mr. MURPHY: A position similar to the Canadian Pacific railway?

Hon. Mr. ROSS: In a similar position in what respect?

Hon. Mr. MURPHY: With regard to population at the first?

Hon. Mr. ROSS: Oh, no, they were not. The Grand Trunk Pacific had the Canadian Pacific railway to haul in supplies for them; the Canadian Pacific railway had to get in their supplies as best they could.

Now, honourable gentlemen, I want to deal also with another point—one other contention which I have heard with regard to this Bill. It is the only reason I have heard why this Bill should become law, and it is strange that, while I regard it as an absolutely unfounded reason, it is

one of the statements that is likely to go. You may not believe it, but you can never lay it. The statement is that if we do not jump in post haste and acquire the Grand Trunk, the Canadian Pacific railway will get it. Any one who has followed the discussions in the House of Commons will see that again and again this statement has been put forward as a reason. That is particularly true of the Minister of Railways. He goes so far as to describe the dark, hidden way in which the Canadian Pacific railway would proceed. I think it is important, on account of the fact that this contention is put forward all the way from Halifax certainly as far as Toronto, as a reason for passing this Bill, that it should be dealt with.

Parliament dealt in 1884 with the question of the Canadian Pacific acquiring the Grand Trunk. Chapter 1 of 1884, section 11, provides:

> The Canadian Pacific Railway shall not, nor shall any of its branch lines nor any line of railway leased by the company or under their control, be at any time amalgamated with the Grand Trunk Railway or any of its branch lines or with any branch lines leased by the Grand Trunk Railway Company, or under their control; and such amalgamation, and any arrangement for making a common fund or pooling the earnings or receipts of the said two railways or their or any of their branch lines, or of any railway lines or parts thereof leased by the said companies or either of them or under the control of either of them, shall be absolutely void.

There is an exception made of the road between Quebec and Montreal. Then follows this section:

> The Supreme Court of Canada shall have jurisdiction to enforce the provisions of this section and to prevent, by injunction or otherwise, any infraction thereof, and to punish any breach or disobedience of any order, decree or judgment of the court in this behalf, and for these purposes shall have all the powers both at common law and in equity of a superior court of original jurisdiction.

That is how the Canadian Pacific railway were tied down with regard to this subject in 1884. But the Minister of Railways, who is haunted by this fear of the Canadian Pacific getting the Grand Trunk, had passed through Parliament last year a Railway Bill; it is Chapter 68 of last session. Section 147 of that Act provides:

> Except as in this Act or the Special Act otherwise provided, no company shall either directly or indirectly, employ any of its funds in the purchase of its own stock, or in the acquisition of any shares, bonds or other securities, issued by any other railway company, or in purchase or acquisition of any interest in any such stock, shares, bonds or other securities.

And the Government themselves say they cannot acquire the Grand Trunk by buying the securities; and if they cannot do it, then the Canadian Pacific railway could not do it, and it would be prohibited by this section 147, in addition to that drastic legislation to which I have referred, in the statutes of 1884.

There are other sections which I will not detain the House by reading; but any one who is interested in the subject will find in sections 150 and 151 provisions for dealing with the case in which a road is sold at auction. If any private person buys it he must come to the Government and obtain power to operate the road, and any amalgamation must be subject to the jurisdiction of the railway commissioners. So there is absolutely not a shade or shadow of a chance of the Canadian Pacific Railway Company acquiring the Grand Trunk without the full knowledge and consent of the Parliament of Canada. I have almost to apologize for referring to that, but I find a great many minds are affected by it.

The next question to which I wish to refer is the fact, which was mentioned in part by the honourable leader of the Opposition, namely, that there are 1,600 miles of the Grand Trunk railway which lie in the United States. The very moment that you get to the international boundary, you of course leave all your Canadian laws behind you, as regards not only yourself but also your property. Honourable Mr. Rowell explained to the other House that the reason why the Government did not expropriate the Grand Trunk was that they had no power to expropriate in the United States. He seems to be quite conscious of the fact, and to be quite indifferent as to what the effects may be, that these 1,600 miles of road are subject first to the jurisdiction of the Government at Washington, and then to the jurisdiction of seven, eight, or nine states through which the road or branches of the road run and operate. The central government has to deal with interstate commerce, but the states themselves have absolute power to deal with freight and passenger rates on roads originating and terminating within the state itself. So you may some day find yourself in a difficult position with regard to the central and the local governments.

But, above that, there is the question of how far the people of the United States, as well as the State and Federal Governments of the United States, are going to accept the situation of a foreign government having acquired such a big property

in their country. Persons who are not lawyers can visualize the seriousness of that situation by supposing a case of a very different kind. Suppose the Government of the United States bought the stock and bonds of the Canadian Pacific railroad, dismissed the directors, and appointed five American citizens to run and operate the Canadian Pacific, ostensibly for the benefit of the people of Canada, but really and in the long run for the benefit of the people of the United States. I put it to you: would there not be a hubbub from the Atlantic to the Pacific about what the United States Government had done in a case of that kind? Of course, 1,600 miles of railway are not so big a matter with regard to the United States as the purchase of the Canadian Pacific would be with regard to Canada; but in the individual states the 1,600 miles would assume larger proportions than with regard to the whole United States. I do not want to inflict learning in international law upon you, but I wish to remind many honourable members of this House of the fact that the Suez canal, which was built by foreign countries, first got concessions from the Khedive of Egypt, which were ratified by the Sultan of Turkey, and that canal was not put there by foreign Governments or even by foreign citizens of their own sweet will. The same is true of the Panama canal. The United States Government could not get possession of what they wanted in Columbia, but they have now their own zone there. When the Bagdad railway was built by the German Government, they got concessions from the Sultan of Turkey. The same thing is true of the Persian Oil Syndicate, in which the British Government are half owners and the Persian Government are also interested.

I have not heard whether there has been any communication between the British Government and the Government at Washington with regard to the Canadian Government buying the Grand Trunk railway. I think there should have been, and if there were, I think we ought to know about it. You may say that we are now allies with the United States, that the war is not over. It is true that one of our railroads slips for a short distance through the state of Minnesota, and that another one goes through Maine; but if anything happened to those two pieces of road they would not be seriously affected. When the Canadian Pacific railway was carrying troops from Toronto to Halifax on their way to the Boer war, it was not allowed to take them through the state of Maine, so they went to Sherbrooke, and from Sherbrooke they went by the Quebec Central to Levis, and from there to Halifax by the Intercolonial. The same thing would happen to-morrow if it were necessary, and if anything happened to the Canadian National, the passengers and freight could be diverted to the Canadian Pacific railway. But here you have 1,600 miles of road in the United States. We are allies to-day, and the American Government are even operating temporarily some roads in this country; but when those roads are handed back, and when we cease to be allies, that will be a thing of the past. The people of the United States are friendly, and no one admires the push and the energy and the kindliness of those people as a whole more than I do; but like every other country they have vicious elements who would be only too glad to make trouble between the Government at Washington and the British Government or the Canadian Government, or between the State Governments and the Canadian Government.

There is another thing to be considered. We all know what happened when Mr. Cleveland was President of the United States. Honourable gentlemen may remember how dictatorial he was. The same thing might happen again. Ninety-nine per cent of the people might be friendly, but a President with autocratic powers who wanted to run for election could dictate what you should do with regard to your road.

There is another difficulty that may arise. When Mr. Gutelius was made General Manager of the Intercolonial railway he was not to be interfered with by anyone, and was not to allow politics to interfere with him. He took two trains off the Intercolonial, one running from St. John to Rothesay, and another from Halifax to Bedford. He took them off on the ground that they did not pay. They did not pay, but they had been running for a number of years, and quite a number of people had spent money in building nice summer houses along the lines of those roads. The result was that when Mr. Gutelius cut off these two trains he scrapped all the property of these people along the lines of the railway, but he had those trains on again within thirty days. The same thing happened upon a road owned and controlled by the Canadian Pacific railway. They took off a train that was not paying, but inside of three weeks the Railway Commissioners ordered them to put it on again.

Then, take the case of a railroad that is losing money: the Intercolonial would be a good instance. Someone says: "Well,

let them raise their rates, and wipe out the deficit." There are some people who would say it was not worth while. It is true that you would be only shifting your money from one hand to the other; you will wipe out the deficit, and you will have to pay more for your passenger and freight rates. Of course, where you have a deficit and there is a benefit to be got from a too low rate, the benefit is got by a few and the deficit is spread over a large number. But there is this to be said about the deficit on the Intercolonial: if you are carrying goods at too low a rate and are carrying passengers at too low a rate, nevertheless some Canadians, although it may be only a small fraction, get the benefit of that. But if you take your 1,600 miles of road in the United States and operate at a loss, what happens? The Consolidated Revenue Fund of Canada has to make up the deficit, and you have not even the crumb of comfort that you have in the case of the Intercolonial, that the low rate inures to the benefit of some Canadian citizens.. You are in this position: the people along the line of this road in the United States for 1,600 miles simply say, "Keep right down as low as you can; it does not matter if there is a loss; it will never have to be met by the people of this country; if the people of Canada are fond of paying a deficit on bankrupt railroads, they may as well pay them on railroads here." I do not say that either the National Government or the state legislatures will set out with a wicked policy based on any such foundation as that; but human nature and self-interest are about the same in the United States as anywhere else, and all forces there would be in favour of having low freight and passenger rates, and, if the time ever came when it was desirable to increase them, a foreign government would not have the same influence in getting an increase as a foreign company would have. You would not be in as good a position as the Grand Trunk was, because the Grand Trunk had their lobby at Washington and at the state legislatures, and they had their combinations with all the other railroad companies. They had a perfect right to do that, and if they had not done so they would have had to go under. The Canadian Government cannot form a lobby at Washington and in eight or nine state legislatures. They might have their agents suddenly ordered out and their property confiscated. The Grand Trunk could say to the patrons of the road, "We have only one fund to live on and to develop this road, and that fund is our earnings." The Government of Canada cannot say that, because the people there will say: "You are not like the Grand Trunk was: you first use the earnings, whatever they are; if they are short, and you want any more money, go to your Consolidated Revenue Fund." You paid $25,000,000 of deficits in 1919, and you may have to pay a large sum for shortage in earnings on this 1,600 miles of road in the United States, and, in any event, you are not in the same position or anything like as good a position as was the Grand Trunk itself.

The Minister of the Interior announced a policy with regard to the operation of these roads. It is important, and I direct the attention of the members of this House to the statement made by him with regard to that policy. He said:

> It is our intention, in so far as there are assets, to take them all over; but I assure the honourable gentleman that if there is any American company, for example, in which so far as operation is concerned, only the people over there are interested, and which is more of a liability than an asset, we will not be bothered with it.

In other words, they are going to sift the Grand Trunk system in the United States: if there are any roads that are not paying, they are to be thrown down; in other words, anything that is profitable we will keep, but anything that we are losing money on can go into the scrap-heap. I wonder if any responsible minister would go into the United States and announce such a policy. It is a policy that you could not enforce in this country for thirty days; and here you would have all the sentiment of the Canadian people, or all the sentiment except a small section along the line of railway, behind you. In the case that I have mentioned the Government was not able to carry out that policy. To say that you can go into the United States, where you have not a living friend who is interested in reducing your deficit or increasing your earnings, and adopt a policy of that kind, is simply to say that you are going to invite trouble all along the line. If anyone attempts to follow out that policy I have no doubt at all that the Government of Canada will have serious trouble with the Government of Washington, and probably with several of the local legislatures

I do not know how it strikes the minds of other people; but, so far as I am concerned, on this question of the extra-territoriality of the 1,600 miles of this road alone I would vote against the Bill.

Now I want to refer to one of the questions that I said would go to the heart of

this Bill as a business transaction, and that is, what are we getting when we take over this Grand Trunk system? I have made a note of the statements of the responsible minister of the Crown—I did not bother with the statements of men in opposition to the Government—and I understand that Mr. Meighen stated that the Government have all the lines of railway that they want, that they can handle three times as much freight as they do handle, and that what they are after is—first, he says traffic, and he later corrects that and says through traffic, which I think is what he meant from the first; because if you acquire the Grand Trunk you get more lines of railway, but you do not multiply the tons of freight or the number of people who want to travel, and if you take the freight from the Grand Trunk and put it on the Government line of railway the Grand Trunk is simply that much short. I do not see that you gain anything there. I suppose they may work out something and say it is on through traffic; but that is irrelevant. They cannot take anything from the Grand Trunk east of Chicago without diminishing the earnings of the Grand Trunk. If the Grand Trunk had freight destined for a point beyond Chicago, perhaps twice as far as from Sarnia to Chicago, you might make your loss on the haul from Sarnia to Chicago, and pick it up on twice that distance beyond Chicago by transferring the whole thing to the Canadian railway system. But what I point out is this: There are no favours in railroading. When the Grand Trunk takes freight into Chicago which is destined for a point, say, on the Pacific coast, they make their choice and make their bargain with the competing roads. They say: "If we give you our westbound freight, will you give us a share of your eastbound freight; to take it from Chicago to the Atlantic seaboard?" Now, take away from the Grand Trunk the weapon that they have with their west-bound freight going into Chicago, and you lose the east-bound freight that it gets in exchange for that. This seems, apart from the question of the Canadian Pacific railway, to be the only reason put forward for the taking over of this road—that we were going to get through freight. What I complain of is that this thing, which is the foundation stone of their whole structure, is not elucidated with statements from the books of the Grand Trunk showing what their through freight would be. I know of no more overwhelming reason for delay with regard to this Bill than the need for ascertaining through experts and through an examination of the books of the Grand Trunk, the facts which would show whether or not there is any foundation for that contention; for, mind you, you are undertaking very great responsibilities and are becoming liable for many millions of money, and unless there is a solid foundation your whole structure will fall. There is absolutely no answer that I can see with regard to that, though there may be more through freight than I think there is.

Then there is another point with regard to through freight. You have a transcontinental road. Are you going to take the freight from the Grand Trunk and starve that, and at the same time are you going to starve the Transcontinental? European freight can come into Halifax or St. John in winter or into Quebec in summer, and can go via the Transcontinental and the government road to the Pacific coast. But are you going to work out a new route, abandoning the Transcontinental and going via Toronto and Montreal and Portland? Is that going to be the trunk line, and are you going to build up the city of Portland at the expense of the eastern part of this country, and with the abandonment of all the terminals that you have there, and even the abandonment of the Transcontinental road as well?

The next question that I wish to refer to is that of the arbitration. Honourable gentlemen, you will see if you look at the Bill that three men are to find the value of the road that you are taking over. There are just as many ways of fixing the value of a railway property as there are said to be of killing a cat. You may base the value upon the cost, less depreciation. You may fix it on what it would cost to replace it at the present time, or what is known as the replacement value, or you can take its value as a going concern; or you can take it on any other basis—the basis, for instance, on which a butcher buys an ox: "What is the thing worth, and what can I make out of it? Can I make anything out of it?" If there is no profit in it, he does not buy: it has no value. These arbitrators are asked to fix the value of the Grand Trunk, but there is more in the problem than just that. The Minister of the Interior, as you will see on referring to page 1636 of Hansard, has something to say with regard to fixing the value. Mr. Maharg was asking the minister this question:

> Might I ask how that excess would be arrived at the present time? Would the arbitrators take the valuation of the property at the present

time and then set that over against the liabilities?

Mr. Meighen says:

I would say certainly not, because if you assume it would cost that much to replace the road that does not say the road ought to be replaced at all—I would think it would be perfectly absurd for the arbitrators to do that. Anyway, we are not dictating to the arbitrators at all.

That I regard as an important statement. I do not see why we should not dictate to the arbitrators, in plain and unambiguous English, to lay down the principles upon which they are to be asked to make the valuation. Moreover, I do not see why we should not dictate to them that certain features put forward, such as pioneer value and prospective value, must be left out of consideration. Moreover, you should fix for the arbitrators the date on which the valuation is to be made. Mr. Meighen says:

Anyway, we are not dictating to the arbitrators at all, any more than we do in all our expropriation legislation; it is for the arbitrators to say what is the business value of the Grand Trunk Pacific road. Taking everything into account, what is its business value?

You take everything into account, he says: that is the principle that he lays down. He refers to the question again at page 1637, where he says:

First of all, let me repeat: we make no rules for the arbitrators; if we started to do that we would certainly get into trouble.

I do not see why he would necessarily get into trouble about that. But I want to refer to pages 1126 and 1127. Here is the principle that Mr. Meighen lays down there, with regard to the assessment of damages of the Grand Trunk. He says:

So that it is only fair that if the Grand Trunk is to be acquired it should be acquired under such conditions as obtained before the war, and anything that is done that merely maintains those conditions cannot be said to be unfair either to the country or to the Grand Trunk.

You get yourselves into this position which, as I see it, is absolutely unsound: the Grand Trunk shareholder, instead of being put on the same footing as I would be with regard to my business affairs, is to be carried back to 1913, to the time before the war began, and all that arose out of the war; before the tremendous increase in wages and in cost of raw material. He is put in the position he occupied in 1913, and then everything is taken into account, and Mr. Meighen says that that would be fair.

Hon. Mr. BELCOURT: Leaving out the depreciation of five years.

Hon. Mr. ROSS: Yes, leaving all that out. So there you are. Now, mind, that is a statement made by a minister of the Crown; and you are to have a board of arbitrators to deal with this matter, and they cannot ignore, forget, or overlook that statement.

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

Hon. Mr. ROSS: Certainly.

Hon. Mr. GORDON: Did the honourable gentleman state that the date would be carried back to the year 1913?

Hon. Mr. ROSS: Yes.

Hon. Mr. GORDON: For the arbitration?

Hon. Mr. ROSS: It is to be on the basis of 1913.

Hon. Mr. MURPHY: It might be.

Hon. Mr. ROSS: Mr. Meighen says more than that:

So that it is only fair that if the Grand Trunk is to be acquired it should be acquired—

"it should be," not "it might be"—

—it should be acquired under such conditions as obtained before the war.

Hon. Mr. LYNCH-STAUNTON: But he did not fix the date as 1913?

Hon. Mr. ROSS: No, but you will find it at other places before that—at an earlier stage in the discussion of the same subject. He takes the year 1913.

Hon. Mr. GORDON: That is the year when the Grand Trunk paid the highest dividends they have paid since 1906.

Hon. Mr. ROSS: Yes. He gives the history of those years. I did not read that. But what I say about that is this. I might be in a position similar to that of the Grand Trunk; indeed, I am in a similar position. The amount in my case might be a ridiculously small figure, but the principle is the same, and an investment of $10,000 in a company can test a principle as well as $10,000,000. If I were having my few shares in a tramway company, for instance, taken from me, and if the value was to be fixed, I could not say: "Oh, take me back to the time before the war, to 1913, the year when I was getting a 7 per cent dividend." I would be told: "The business has been run during the last four years without a dividend, and it may be four years more before you will get any· you cannot take that as your basis at all."

I know that there is ambiguity about all these things, but this question is so important that I do not believe Parliament should assent to the Bill at all until they see this agreement, because every word is important; the twist of a word may mean a million dollars to you. Moreover, we want a clear definition in the agreement for the arbitration. We want to tell the English shareholders: "You are to have your damages assessed on the same basis as would a Canadian citizen." If he went into a court and asked the court to determine the present value of his holdings, the question would be, not what they were worth in 1913, not what they would be worth in 1940, but what would a business man or a company who wanted to buy and had the money to pay, be willing to give. The basis should be defined affirmatively and it should also be defined negatively. That is to say, the principle should be defined, and for greater assurance it should be made clear that certain considerations are to be eliminated. We should declare: "We are going to eliminate prospective value; moreover, you must take into consideration all the conditions, including the war and the depreciation of the value of the property." It is unreasonable to expect the citizens of Canada to go without fair dividends, as thousands of them—men, women and children—have had to do, and then to step up to the front and give a valuation that will provide dividends for a number of English shareholders, who should not be on any different footing. They would thus be relieved of all their troubles with regard to the war and the circumstances that arose out of the war.

There is another point to which I wish to refer, and that is the statement made by the Minister of Railways. If you refer to page 1064, column 1, you will find that the Minister of Railways makes this statement:

> The arbitrators will no doubt take into consideration the fact of the Grand Trunk railway being the pioneer railway of Canada; and believing as I do that the people of Canada wish to deal generously with the Grand Trunk shareholders, they will not be too severe when making their award.

I consider that is very dangerous language for a Minister of Railways to use. Do you not see why I referred, perhaps a little tediously, to the way in which we have to treat the Grand Trunk; and why I asked on what footing the Grand Trunk is placed —whether on a contract basis or not. If you go out to buy a farm in the backwoods of Ontario and the farmer asks you to include as an element in the value of his farm the fact that his grandfather was a pioneer, having settled in the woods there, you would think he was crazy.

By his statement, there is no clear idea in the mind of the Minister of the Interior as to the principle upon which the arbitrators should proceed. Practically, he said: "We are not going to dictate to them; it is a go-as-you-please affair, and you may go back to the period before the war, and you may take everything into consideration." Then comes the statement of the Minister of Railways, who says the arbitrators may take into account, and undoubtedly they will consider, the fact that the Grand Trunk was a pioneer railway. The Grand Trunk railway people think the C.P.R. got too much jam on their bread. They think that they may now have a good chance to get $100,000,000 or $150,000,000 because they were the pioneer road. I assert that that has nothing whatever to do with the valuation.

There are a number of other subjects, but I am not going to address the House regarding them.

Hon. Mr. DAVID: Go on.

Hon. Mr. ROSS: There is the question of an alternative scheme. There is the germ of an alternative scheme in the correspondence; but there are honourable gentlemen on this side of the House who will develop that idea and give it special attention, and I think it would be unfair to you if I were to go on pounding away at a subject which will be dealt with in a much better way than I can deal with it.

Then there is the question of the public debt and the present financial position of the country, and the inadvisability of proceeding with this matter at this time, even if it were a meritorious bargain. That question, too, will be dealt with before the debate is concluded. I have no doubt that you will also hear something of government ownership. My idea of that is that you have approximately the finest scheme of government ownership that you will ever get. The Board of Railway Commissioners have the questions of rates, terminals, and so on in hand; in fact, there are very few things that the railways can do without their consent. The idea of basing any support of this Bill on the ground that it is government ownership is to my mind quite absurd and quite unnecessary.

There is another question involved in this Bill that I have already referred to,

ready to meet the Government more than half way. But, with things as they are, I absolutely refuse to agree to this Bill until there has been a great deal more evidence forthcoming than we have now, and until the questions I have referred to have been cleared up. There is no need for haste. The Grand Trunk is financed away on into next winter. As the Minister of the Interior said, if the worst comes to the worst, the debenture-holders can take the road and operate it, and hand over the surplus to those to whom it is due. Perhaps it might not be too bad for the Grand Trunk to have a receiver appointed. Practically all the American roads—I have no recollection of the New York Central having gone into the hands of a receiver—

Hon. Mr. BEIQUE: Nor the Pennsylvania.

Hon. Mr. ROSS: No, nor the Pennsylvania. But practically all the others have been in the hands of a receiver, and have emerged better roads. This Bill could be dealt with at another session of Parliament, when we would have more information, and after the people of the country have had an opportunity to express their views. I believe that there is a rising tide against the Bill. While there are many people in favour of public ownership, they are not prepared to make any kind of sacrifice for government ownership. They want to know what they are paying for it and all the people have a right to be heard.

I am sorry, honourable gentlemen, that I have taken so much of your time. I have tried to be as brief as possible. I now beg to move, seconded by the honourable gentleman from Sydney (Hon. Mr. McLennan):

That Bill 33 be not now read a second time, but that the further consideration thereof be deferred until the next session of Parliament.

Hon. GIDEON ROBERTSON: Honourable gentlemen, in speaking on this subject, may I congratulate the leader of the Opposition upon the position which he took this morning, when he stated that the subject before us was rather one of what we should do now rather than to reflect upon or discuss the causes that led up to the existing situation. I think the honourable gentleman was not only wise in his decision, but discreet, because it was probably the easiest and most diplomatic way of avoiding embarrassment in answering the observations of the leader of the Government.

May I briefly attempt, honourable gentlemen, to give some information concerning some of the inquiries or suggestions that have been made? The honourable the leader of the Opposition this forenoon raised the question as to the physical condition of the Grand Trunk property at the present time, and indulged in some criticisms because there had not been any information forthcoming upon that subject. It would perhaps be opportune and appropriate, therefore, to give to the House some information that may be regarded as authentic upon that subject, showing the present condition of the Grand Trunk railway. In that connection I propose to read a report, under date of October 26, 1919, submitted by Mr. George A. Mountain, chief engineer of the Board of Railway Commissioners for Canada.

Hon. Mr. THOMPSON: Whom was the report made to?

Hon. Mr. ROBERTSON: To the Board of Railway Commissioners. It is addressed to Mr. Cartwright, secretary of the board, and reads:

I left Toronto on the morning of the 21st and inspected the main line of the Grand Trunk to Sarnia, returning to Komoka, and making an inspection of the line from Komoka to Windsor. I found that the requirements stated in my report were at least in most cases lived up to, and in some cases exceeded, particularly in connection with tie renewals, and would say that it was 95 per cent completed.

That is to say, the work which had been laid out by the commission as necessary to put the road in proper condition had been 95 per cent completed on that portion of the line. The report goes on to say:

There were a few yards yet wanting some tie renewals but these were naturally left to the last, as they had their entire force on the main line between stations, which was good practice.

Hon. Mr. BELCOURT: The report speaks of the commission having ordered certain things to be done. Perhaps my honourable friend can tell us when that was ordered by the commission.

Hon. Mr. ROBERTSON: I have not any information upon that point. Apparently a previous inspection had been made.

Hon. Mr. BELCOURT: It is the date on which these improvements were ordered to be made that I should like to know.

Hon. Mr. ROBERTSON: I shall endeavour to obtain that information for the honourable gentleman. (Reading):

On Wednesday, the 22nd, I started special from Windsor and went over what is known as the Southern Division of the line, on which the Wabash run their fast trains. This line runs through St. Thomas to Fort Erie. I found that

and that is the effect of this legislation upon the unification of Canada. Assuming that this Bill passes, and that you take the railroad out of politics, you will have right in politics a scrap between Halifax, St. John, and Portland, with a lot of governments involved. If the Portland route wins out over these other routes, and the terminals at Halifax and St. John are scrapped, you will find that this attempt to make one Canada is going to carry you right back to where you were when we had separate provinces and practically different countries.

There is one other thing. I think it is pretty clear from this Bill that the Dominion Government is assuming all the responsibility of the guarantees given by the different provinces. Every crazy subsidy that was voted from the Atlantic to the Pacific by the Provincial Governments is now assumed, and is going to be paid by the Dominion Government. It has not been said that that is so; but I have taken pains to try and understand the Minister of the Interior, and it works out in that way; and it would be better once and for all for the Government to make that statement and let the provinces out and permit them to get on their feet financially, and to pass some law to prevent such thing occurring again.

Then, there may have to be some compensation to the provinces that kept their heads and kept out of these crazy subsidies. For myself, I would consider an application from the province of Quebec or the province of New Brunswick for some kind of compensation if they have now to come in and pay their share of taxation for all these absurd subsidies which have been voted by Nova Scotia, for one -and Nova Scotia is not a bit better than Alberta and British Columbia. But if Quebec had its business well managed, why should it not have some compensation? How that would work out I do not know.

There is another matter that ought to be cleared up if this Bill is passed, and that is the question of municipal taxation. The Grand Trunk paid taxes to the municipalities. I have not the figures under my hand; perhaps honourable gentlemen have them; there would be $700,000 or $800,000 at least. Now, when the Government acquires the Grand Trunk those municipalities lose those taxes, because the railroad becomes Crown property. The Government have to face either one of two things. I understand that there is some attempt made to say that the Grand Trunk property will go on paying its taxes. It is Crown property, and if the property goes on paying those taxes, then it has to be put on the same footing in other municipalities. If, on the other hand, it does not pay the taxes, you have special and local and unjust legislation, and the only legislation that will last is legislation based upon justice for everybody.

Before proposing the motion which I have to make, I wish just to refer to a statement that I find is in the mouth of practically everyone, and which was made by the President of the Privy Council. He said that if they did not go on with the Bill now the opponents of the Bill might organize to defeat it. Out of its own mouth has come, it seems to me, a very good reason why the consideration of this Bill should be deferred. He admits that the opponents of the Bill are not organized. Labour organizes, temperance organizes, moral reformers organize, and even the undertakers in the province of Nova Scotia organized. They wound up by appointing officers and holding a banquet, and they passed a resolution to memorialize the Dominion Government to prohibit burials at sea. I do not see why the opponents of this measure, like all other people, should not have a chance to organize. I do not see why they should not have a chance to stand up and be counted, why they should not have a chance to memorialize Parliament and present their views. That reason is as strong as any of the other reasons that have been put forward. While it is true that over a year ago this question was in the air, and there was some discussion about taking the Grand Trunk over, I remember it as well as if it were yesterday, yet I never heard anything about it again until the day the matter was brought down in the House of Commons. Even if I had, how is the man on the street, or the lawyer in his office, or the doctor in his office, or the merchant, going to consider a thing of this kind when all the material is in the offices of the Grand Trunk and the offices of the Government? How long is it since we got the blue book? It has not been before us all summer.

Notwithstanding all I have said, if you can get the British Government and the Canadian Government to clean up this question of international relations, if you can come forward and give us facts that will show that the taking over of this road will give you the through freight that you now have not got and that will make up for what the roads cost you, I shall still be

the Inter-state Commerce Commission will treat the Grand Trunk lines, as they are now called in the United States, in exactly the same manner as they will all other inter-state roads. I think that we ought to be quite prepared to take our chances for competing for business on that basis.

Likewise the Railway Commissions of the several states were referred to by the honourable gentleman from Middleton (Hon. W. B. Ross). In each state there are other lines that come under the jurisdiction of those bodies, and I think it is safe to assume that the State Commissions would treat this line in exactly the same manner and on the same basis as they would all other lines that come under their jurisdiction, and therefore there is no particular need for worry on that score.

It was stated that the portion of the Grand Trunk system lying within the United States has not proved profitable up to the present, and therefore we ought not to assume liabilities for a losing proposition in a foreign country. The statement was not made in exactly those words; but that, I think, was the intent of the honourable gentleman's remarks. I think it has been stated in the other House that the deficit assumed to exist on the American lines was about $1,632,000. I think at the same time it is true—in fact, while I have not the statement on paper, I have the information—that the profits derived from handling that American business over the Canadian portion of the Grand Trunk system netted the Grand Trunk railway between $15,000,000 and $16,000,000 of profit; that had they not had that business to haul from Sarnia to Island Pond, Vermont, over the main line of the Grand Trunk, they would have lost that amount of business. Therefore a deficit on the small portion of the line lying within the United States, where they gather traffic, at Chicago, and deliver it at Portland, is really an asset instead of a liability.

Hon. Mr. BELCOURT: Where is the authority for that?

Hon. Mr. ROBERTSON: I will endeavour to confirm that information, if my honourable friend so desires, later on.

Hon. Mr. McLENNAN: May I ask the honourable minister, while he is on that point: Would not the business produce the same rate of profit on the lines in the United States as on the lines in Canada?

Hon. Mr. ROBERTSON: The manner in which the earnings are arrived at is on the mileage basis, and probably three-quarters of the mileage covered would be in Canada, and all of it would be through business. The expenses in connection with gathering and loading freight and delivering it, the cost of delays to cars, per diem, etc., at terminal points, which happen to be in the United States in both instances, have made that end of the traffic seem unprofitable, while the Canadian portion of the line enjoyed the profits of the business.

Hon. Mr. McLENNAN: The terminal charges would make the difference?

Hon. Mr. ROBERTSON: They contributed, yes.

I was quite interested in the remarks of the honourable gentleman from Middleton (Hon. W. B. Ross) concerning that great financier Sir Charles Rivers Wilson and his reminiscences regarding that gentleman. I happen to have personal reminiscences of the same gentleman, which I am going to burden the House with for just a moment. In the year 1893, or possibly 1894, Sir Charles Rivers Wilson made a tour of inspection of the Grand Trunk railway. I happened to be a humble telegraph operator on that line at the time. His knowledge of railroading and of railroad operation impressed itself on me then in a way that I shall never forget. He was travelling over the line between Sarnia and London one afternoon, and, as usual, the president's train had the right of way. Passenger trains and freight trains that were on the road were set aside by order of the train despatcher, who was being watched by the superintendent in London, and everything was put "into clear," as we term it, for the president's special. He came along in the afternoon where I happened to be located and his special train pulled into the side track. Greatly to my amazement, when I hastened down to find out what the trouble was—knowing that the whole subdivision of sixty odd miles was tied up and seven or eight trains, passenger and freight, were awaiting the passing of this train—I was informed by the conductor that Sir Charles had decided that he would have some tea, and for that purpose he had taken the side track, apparently oblivious to the fact that he was tying up all the rest of the trains on the division. I acquainted the train despatcher of this fact and that Sir Charles would be there about forty minutes, and he immediately got busy and got all the operators on the line to give out orders changing the "meets" and time orders, etc., that the various trains had, in order that

they had fully complied with the conditions set out in my report. This complies with Mr. Simmons' memo of July 4th, 1919, who made the original inspection of this line. They have completed the work that they agreed to do, and in my opinion the line is in a very good condition of maintenance.

Leaving Fort Erie on the afternoon of the 22nd I ran to Niagara Falls. This line is in first-class shape, considerable new rails have been laid, new ties and new ballast.

I left Niagara Falls on the morning of the 23rd and made an inspection by daylight to Hamilton, and then from Toronto to Coteau Junction. The requirements of this line are all embodied in my report of June 18th, and I might say that they have complied with probably over 90 per cent of these requirements, and I have no doubt they will fully complete them by the 15th of November.

May I point out to my honourable friend from Ottawa (Hon. Mr. Belcourt) that June is the date referred to as the date of the previous report?

Hon. Mr. BELCOURT: This year?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. BELCOURT: Perhaps my honourable friend could get the report for us?

Hon. Mr. ROBERTSON: I will endeavour to do so. (Reading):

All that is left undone is a few of the yards, such as Prescott, which want some tie renewals, and in some places some rail anchors required to be put on, and which are already on the ground.

When I reached Coteau the darkness prevented my inspecting the track from Montreal to Coteau, and I went in to Montreal, returning by daylight and inspected the track from Montreal to Ottawa. I found the line in first-class shape, well ballasted, tie renewals and rail renewals where promised. In my opinion the Grand Trunk have complied with practically all they agreed to do, and which has placed the maintenance of their line in good shape. There is no reason why it cannot be kept in that condition.

Yours truly,

Geo. A. Mountain,
Chief Engineer.

I offer that information in consequence of the inquiry made by the honourable the leader of the Opposition this morning.

Hon. Mr. GORDON: Could the minister tell us how long Mr. Mountain was engaged in preparing that report, and how many miles he went over in that inspection?

Hon. Mr. ROBERTSON: I could not state off-hand. But the report describes in detail the route that he covered. From Toronto to Sarnia, return to Komoka, from Komoka to Windsor, from Windsor to Fort Erie, from Fort Erie to Niagara Falls, from Niagara Falls to Toronto via Hamilton, from Toronto to Montreal, and from Montreal to Ottawa. He covered what is commonly known as the main lines of the Grand Trunk in the province of Ontario.

Hon. Mr. GORDON: Did he go over the Canada Atlantic line from Ottawa to Parry Sound, or the Grand Trunk line from Toronto to North Bay?

Hon. Mr. ROBERTSON: Apparently not on this occasion. Before proceeding with some general remarks on the subject before us, I would like to refer briefly, while I have it in mind, to a few of the observations made by the honourable member from Middleton (Hon. W. B. Ross), who has just spoken. One point that seemed to cause some worry or concern to the honourable member was the question: what was going to happen if the Canadian Government became the owner of some railroad mileage in the United States? I think there need be no apprehension of disaster when we remember that at the present moment the Government of the United States is operating 2,002 miles of railway in Canada, and this Government and the people of this country have so far raised absolutely no objection. At the present time the Government of Canada, as owner of the stock of the Canadian Northern Railway Company, is operating between 200 and 300 miles of railway in the United States without any interference being had, or exception taken by the Government of the United States, except that when the United States Government took over the control and operation of the railroads in that country they specifically excluded that piece of road, which is owned and operated by the Canadian Government; they said they would not interfere with it—they were satisfied that we should operate it. I myself discussed the question with the legal representative of the Director of Railroads of the United States, in May 1917, in the city of Washington, as it affected the railway employees, in whom at that time I was directly interested.

Reference was made also to what might occur with regard to rates, inasmuch as the control of rates on the lines in the United States was outside the power or jurisdiction of our Board of Railway Commissioners or the Dominion Government. I think, honourable gentlemen, it is safe to assume that the Inter-state Commerce Commission of the United States would not discriminate and could not discriminate against an individual road that might be doing inter-state business, and therefore we may feel certain that

we might move the other trains, passenger and freight, that were on the road. When the forty minutes had expired I inquired of the conductor again if they were ready to go, and I had a number of orders for them. The conductor went out, delivered his orders to his engineer, and advised Sir Charles, or rather the "buttons" who came to the door, that they were ready to proceed. Sir Charles decided that he wanted to make some "copy," and therefore they would not move until he had finished making his copy, which, I presume, was the writing of a letter or something of that sort. So he delayed the train thirty minutes more. That all impressed itself on my mind at the time, and I have never forgotten that indication of the ability as a railroad administrator of a man who has the reputation of being a great financier, but who apparently did not know the first thing about the operation of a railroad.

Some comment has been made with reference to the provincial guarantees on certain portions of the property controlled by the Grand Trunk and the Grand Trunk Pacific, and it is stated that the Federal Government is proposing to assume the liability for all the provincial guarantees. I feel positive that that is absolutely incorrect—that there is no such thing in contemplation, and that such a result will not occur.

Likewise with reference to taxes. Federal property is exempt from taxation, and, while I do not desire to make any legal argument, because I cannot, I think it is true that all Federal property is supposed not to be revenue-producing or profitable and not operated for the purpose of profit. The Canadian Northern railway, since it became the property of the Canadian Government has been carried on under its corporate identity as the Canadian National railway. It has continued to pay taxes just as it did when it was a private corporation. If this agreement is passed and the Grand Trunk railway becomes absorbed in the Canadian National Railway system, the statement made by the honourable Minister of Railways in the House of Commons is absolutely true, that the existing taxation, at the rates which prevail in the various municipalities, will continue to be paid as it has been in the past.

Now, I would like to attempt to deal, logically, if I can, and as plainly as my humble ability will permit, with the two or three points mentioned by the honourable leader of the Opposition, namely: Is it desirable that Canada should acquire the Grand Trunk Railway system? is it desirable that it should be acquired from the standpoint of the future of the Canadian National railways? and, if so, is the proposed plan of acquisition feasible? These are not exactly his words, but I think that is practically the meaning of the honourable member's observations.

The Transcontinental railway was built in contemplation of the Grand Trunk railway operating it. Much has been said with reference to the Grand Trunk defaulting in the fulfilment of that agreement. From my personal knowledge of railroad matters, I do not blame the Grand Trunk railway for defaulting in that connection. The Transcontinental railway was built at, I presume, more than double the cost that should have been incurred in building a line through the hinterlands of Canada. There are on the Transcontinental railroad miles of yards and tracks and buildings that would meet the requirements of a railroad in the southern part of Ontario or Quebec, where there is traffic. I am sure that it is true that there are miles of tracks in yards that have never had a car wheel run over them. Could the Grand Trunk Company be expected to assume the liability of operating that road and paying the interest charges upon it when they had no say in the construction of it, and supposed that it would have been constructed to meet the requirements of the territory which it traversed?

Hon. Mr. WATSON: Were not the Grand Trunk people consulted about every mile of track?

Hon. Mr. ROBERTSON: I do not think they were.

Hon. Mr. WATSON: They had their engineers there.

Hon. Mr. ROBERTSON: Not on the Transcontinental.

Hon. Mr. WATSON: Yes, on the Transcontinental, too.

Hon. Mr. ROBERTSON: As a result of that situation, the Canadian Government took over the operation of the Transcontinental, and subsequently leased that portion of the Grand Trunk Pacific between Fort William and Graham, to which I will refer later on. The Grand Trunk Pacific was built in Western Canada on a most unfortunate location and under the most unfortunate conditions; for it traversed and paralleled existing lines, and did not have, and does not have to-day, any feeders worthy of the name with which to supply

itself with traffic. It has consequently been unable to pay its operating expenses, and the liabilities of the Grand Trunk resulting from their guarantees have grown from year to year. During the war period the Government undertook to come to their relief by way of loans granted each year, and this has been adding to the liabilities of the Grand Trunk and the Grand Trunk Pacific until the time came, a year ago, when the Parliament and the people of Canada said: "We will not and we cannot advance you any more money." What was to be done? The road could not go on unless it was financed. About the 1st of March last, I think, on about five days' notice, the Grand Trunk Railway Company, on behalf of the Grand Trunk Pacific, notified the Government that, on the 5th of March, I think, the Grand Trunk Pacific would cease to operate. It was necessary that something be done, and done quickly, and the Government took the necessary action, and the only action that could be taken, if Parliament was not to hand out further millions to the Grand Trunk Pacific. The Government, with the sanction of Parliament, took the other course: they temporarily appointed the Minister of Railways as receiver for the Grand Trunk Pacific, well knowing that these negotiations were already pending and had been in progress for some time, and that they must eventually come to a definite conclusion; and the final result would probably be the acquisition of the Grand Trunk and the Grand Trunk Pacific, and the amalgamation of the Grand Trunk Pacific and the Canadian Northern western lines under one management.

Let us turn briefly to another remark of the honourable gentleman from Middleton (Hon. W. B. Ross). He said there was no haste necessary or desirable in dealing with this question. Let me point out this to the House. The Grand Trunk Pacific Railway has a vice-president and general manager and all the necessary managerial staff, audit staff, car checkers, auditors of ticket and freight receipts, etc., filling practically one-half of the Union station in the city of Winnipeg, and on the other side of that station is an equivalent staff dealing with the Canadian National lines in Western Canada. Canada is to-day paying the shot for the deficit on the Grand Trunk Pacific, is it not? The sooner that this agreement is concluded and this matter is settled the sooner shall we be plugging a big leak in the cost of operation of the Grand Trunk Pacific Railway. To-day the Grand Trunk Pacific Railway has the best line and the most direct line between Winnipeg and Edmonton, and operates a splendid daily passenger service. Running almost parallel with it, the Canadian National railway is running daily passenger service, and the Government is paying the deficits of both roads. What is the remedy? Let us get this matter settled and eliminate the duplication of facilities and equipment, and operate the roads in a businesslike way.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman explain how that duplication can exist when the road is in the hands of a receiver? I cannot understand what this arbitration has to do with it at all. It is an arbitration regarding the Grand Trunk.

Hon. Mr. ROBERTSON: In answer to the honourable gentleman, I would point out that the Grand Trunk is drawn into this thing because of this very difficulty in connection with the Grand Trunk Pacific, and the Grand Trunk Pacific matter cannot be straightened out, nor can the amalgamation necessary to economical operation be effected, until such time as the Grand Trunk itself has been settled with.

Hon. Mr. NICHOLLS: May I ask the honourable gentleman a question? He stated that if the Government became possessed of the Grand Trunk it would immediately eliminate the duplication, and he instanced the splendid line of rails that the Grand Trunk Pacific had between Winnipeg and Edmonton. But the Canadian National also has a line of rails between Winnipeg and Edmonton, and perhaps he will be able to tell me what would be the intention of the Government in eliminating duplication in regard to giving freight and passenger facilities to those sections of the population that are now served by these duplicate lines.

Hon. Mr. ROBERTSON: I had intended dealing with that as I went along. The Canadian Northern system in the West, between Winnipeg and Edmonton, for example, is not a direct air line as is the Grand Trunk. However, as an independent railroad it operates a through train service, and does the local work between Winnipeg and Edmonton very largely on that train. The service that the people of Western Canada would get would be this: there would be continued the local service just as efficient as it is now, but a through

and direct service over the shortest route would be available and possible to all, and the duplication of equipment on the through service would be avoided.

The Grand Trunk Pacific main line has a splendid road-bed and a splendid grade, making it possible to haul the heaviest trains that can be hauled on any road anywhere in the country; but it has not the traffic because it has not the branch lines and feeders and has not access to the business. The Canadian Northern railway, or the Canadian National, as it now is, in Western Canada is situated more advantageously than any other line, not excluding the Canadian Pacific railway itself. The Canadian Pacific railway traverses the southern portion of the provinces, and the southern part of the provinces of Saskatchewan and Alberta have been unfortunate in having droughts year after year. Therefore the quantity of business comes more largely from the central and northern portions of the provinces, and the Canadian National taps the most productive parts of the Prairie Provinces to-day. The existing lines, during the rush season, the grain season particularly, are becoming congested, and it is necessary either to increase the facilities on the Canadian National by double-tracking in places, or to take advantage of the golden opportunity that is at our door to link up the feeders of the Canadian National with the Grand Trunk Pacific main line, and make the Grand Trunk Pacific main line the funnel through which shall flow the business gathered up by the branch lines of the Canadian National railway. In the winter of 1915-16 the then Canadian Northern railway had much more traffic between Winnipeg and Fort William than it could possibly handle on a single track. What happened? The Board of Railway Commissioners, I think wisely, said, "The people are the first consideration, and their grain must be got to the head of the lakes," and they ordered accordingly, and grain originating—hundreds of carloads of it—on Canadian Northern lines was transferred to the Canadian Pacific railway's double track at Winnipeg, and hauled to Fort William, because the Canadian National could not handle it by reason of having only a single track which was the outlet of all their network of branch lines and gathering lines on the prairie. Now, what has happened? The Government have leased some time since the Grand Trunk Pacific lines between Fort William and Winnipeg at a considerable annual rental, I think about $600,000 a year, which amount is credited against the obligations of the Grand Trunk Pacific to the Government. As a result, the Government now has what is equivalent to, and often better than, a double-tracked line between Fort William and Winnipeg; and if the Grand Trunk Pacific is acquired, it will absolutely eliminate the necessity of double-tracking those 425 miles.

I have endeavoured to point out the benefits to be derived from the amalgamation of the Grand Trunk Pacific and the Canadian National properties in Western Canada. The Canadian National railway is an absolute asset to the owners to-day, with the exception, perhaps, of the British Columbia division; but that is rapidly coming forward and traffic is developing.

Now let us turn to Eastern Canada and see what the position is there. The Canadian Northern in Eastern Canada is a joke in so far as being profitable to operate is concerned. Ontario has 3,198 miles of railway owned by the Federal Government; Quebec has about 1,900 miles, practically all of which traverses the hinterland, or the backwoods, of those two provinces. That is an absolute fact, which every honourable gentleman knows. How can we ever obtain traffic to make those lines in any way profitable, or how can we ever hope to if they do not obtain access to the industrial centres of these two great provinces, which are the principal producers of manufactured articles for transportation in Canada. I propose to ask the indulgence of the House to enable me to go into that matter in some detail, because I think it is very important. But before going into that, perhaps I might deal with another point that would bring my argument into better sequence. In Western Canada the Canadian National railways have ample, or at least adequate, terminal facilities in every part. In Eastern Canada, outside of the Intercolonial, they have absolutely nothing worthy of the name. The Canadian Northern railway does not enter the city of Toronto beyond the Don at the east end of the city, or Cherry street, where they have a local freight shed. They have absolutely no access to the industrial centres or industrial sidings. In Montreal it is very much the same. The Canadian Northern have access to the eastern portion of Montreal, where a considerable number of industries have grown up; but the wholesale district of the city is accessible only to the Grand Trunk and the Canadian Pacific railways. Likewise, in the city of Ottawa, what do we find? There are no facilities for delivering passengers except

over other lines. Let us for a moment realize the fact. The Canadian National railway has established a passenger train service between Toronto and Ottawa, a very creditable service, with good equipment. I think it compares favourably with that of the Canadian Pacific railway, which, in my opinion, is the best in the world.

Hon. Mr. CASGRAIN: Will the honourable gentleman say how many thousand acres of yard the Canadian National has in Montreal?

Hon. Mr. ROBERTSON: Not in the business centres of Montreal?

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. ROBERTSON: No. The Canadian National railway cannot to-day haul a single passenger out of the city of Toronto unless they pay tribute to the Grand Trunk. Likewise they cannot deliver a passenger into the city of Ottawa without again paying tribute to the Grand Trunk.

Hon. Mr. BOYER: Is not that cheaper than owning your own facilities?

Hon. Mr. ROBERTSON: Sir William Mackenzie and Sir Donald Mann did not think so. They proposed to establish terminals in Eastern Canada, and that is what the Government ultimately will have to do unless it acquires the Grand Trunk railroad.

May I mention one other thing in connection with the unnecessary cost of operation—that is, what would be unnecessary, what would be eliminated if this amalgamation took place? The Canadian National Railways in Eastern Canada, at least from Winnipeg and east, consume 1,000,000 tons of coal per year. In the Maritime Provinces they obtain their coal to a large extent from the local mines. They are attempting to haul coal from Alberta as far as possible, and sometimes farther than is profitable. With the acquiring of the Grand Trunk railroad there passes into the possession of the Government coal areas in the United States from which the Grand Trunk derive their supplies. The Grand Trunk to-day invoice their coal to themselves at 50 cents per ton less than they could obtain it from any other mine operators in the United States, and at the same time their coal mines show a net profit of $500,000 a year. I submit that if the Government becomes the proprietor of this property, the 1,000,000 tons of coal a year that we now buy from the United States, paying full cost, plus duty, plus freight, to the Grand Trunk, could be obtained at the same cost at which the Grand Trunk now obtain their coal, a straight saving of half a million dollars per year would result, to say nothing of the saving of freight; and I submit that that is a good proposition. I could go on giving numerous savings of that sort that could be effected, but I do not desire to take too much of the time of the House. I submit, however, that the economies in operation that can be effected are almost limitless.

With reference to traffic, may I take a short time to make clear to the House just what is involved in the suggestion that the Canadian National railway should obtain access to the industrial and agricultural centres of the provinces of Ontario and Quebec; and let us see for a moment what traffic emanates from that district, which the Canadian National railway does not touch. It is a fact that in the province of Ontario there are 75 towns and cities of 2,000 population and over, as shown in the 1911 census, served by the Grand Trunk and not reached by the Canadian National. In the province of Quebec there are, I think, something like 13. I will not burden the House by enumerating them, but will simply hand in the list to be printed in Hansard, so that the members at their leisure may see the facts for themselves.

Hon. Mr. CASGRAIN: Read them.

Hon. Mr. BOSTOCK: Would not my honourable friend read that statement for the benefit of the House?

Hon. Mr. ROBERTSON: I did not want to detain the House. The fact is that the following towns and cities in the province of Ontario are served by the Grand Trunk railway, and are not reached by the Canadian National.

Hon. Mr. CASGRAIN: Or the Canadian Pacific?

Hon. Mr. ROBERTSON: Many of them are reached by the Canadian Pacific railway, with which, for that reason, the Canadian National cannot get into competition. They are as follows:

Ontario.	Population.
Acton	2,500
Alexandria	2,557
Arnprior	4,200
Aurora	2,500
Aylmer	2,200
Barrie	6,866
Bowmanvile	3,655
Brampton	2,022
Bracebridge	2,896
Bridgeburg	2,000
Brantford	26,601
Burlington	2,060
Campbellford	3,500

Ontario.	Population.
Chatham	14,500
Chesley	2,000
Clinton	2,200
Collingwood	7,500
Cornwall	6,947
Dundas	4,834
Dunville	3,286
Elmira	2,252
Galt	12,360
Goderich	4,855
Gravenhurst	2,000
Guelph	16,200
Hamilton	100,000
Hanover	3,310
Hespeler	2,634
Huntsville	2,380
Ingersoll	5,800
Kincardine	2,124
Kitchener	19,380
Lindsay	8,000
Listowel	2,370
London	57,031
London East	4,000
Meaford	2,785
Midland	2,032
Milton	2,032
Mimico	2 000
Mount Forest	2,004
New Hamburg	2,016
Newmarket	4,000
Oakville	3,300
Owen Sound	12,612
Paris	4,950
Penetang	4,110
Peterboro	24,000
Petrolia	3,860
Prescott	3,001
Preston	5,000
Renfrew	4,348
St. Mary's	4,000
St. Thomas	17,200
Sarnia	11,676
Seaforth	2,000
Simcoe	4,250
Stratford	17,373
Strathroy	2,996
Tillsonburg	3,059
Walkerton	2,900
Walkerville	5,349
Waterloo	5,091
Weston	2,310
Whitby	2,922
Wiarton	2,300
Windsor	26,524
Wingham	2,600
Woodstock	10,004

In addition, in the province of Ontario there are seven cities or towns that are reached by an electric line that is owned by and is a part of the Canadian National system, but which has no direct connection with the Canadian National railway; therefore traffic has to be handled over the Grand Trunk railway in order to make the connection. These towns are as follows:

Ontario.	Population.
Merritton	2,000
Niagara Falls	11,715
Port Colborne	2,500
St. Catharines	19,189
Thorold	5 000
Welland	7,905

In the province of Quebec, the same thing applies in thirteen different towns and cities, namely:

Quebec.	Population.
Bromptonville	2,250
Cedars	2,795
Coaticook	3,560
Lachine	14,000
Laprairie	3,000
Plessisville	3,500
Princeville	2,500
Richmond	2,175
St. John's	8,000
Sherbrooke	23,000
Valleyfield	9,900
Victoriaville	4,477
Windsor Mills	2,030

Hon. Mr. CASGRAIN: Most of those are on the Canadian Pacific railway.

Hon. Mr. ROBERTSON: Many of those points are reached by the Canadian Pacific railway, but that does not do the Canadian National any good.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. ROBERTSON: Honourable gentlemen, at the time that recess was taken I was referring to the fact that a very large and important part of the population of Ontario and Quebec were not served by the Canadian National railway, nor could it have access to them under present conditions. The aggregate population of those 75 towns and cities in Ontario that I mentioned is a little over 705,000. There is in that area of the province of Ontario, the southern and southwestern portions, served by the Grand Trunk and not reached by the Canadian National, a population of 1,135,000, or 45 per cent of the total population of the province; and that does not include the city of Toronto. The city of Toronto, as I have already pointed out, is not served to any extent by the Canadian National railway, because it has no access to the industrial plants or the industrial sidings of that great city. So, including the city of Toronto, the population of Ontario is not served and cannot be served by the Canadian National except by the acquisition of the Grand Trunk or the duplication of its facilities, amounting to two million and a half, or slightly more, or 67.97 per cent of the total population of the great province of Ontario. I want to point out briefly to the House the benefits that would accrue if the business originating within this area could be reached by the Canadian National railway. It would perhaps be unfair to take the statistics for

the years immediately preceding this date, the years of the war, and I have ventured to use the figures of 1915, which perhaps were the last figures that would indicate normal conditions. The value of the manufactured products of the Dominion of Canada in the year 1915 was $1,381,000,000, of which $715,531,000 worth was produced in the province of Ontario, and $381,203,000 worth in the province of Quebec; or 52 per cent of the whole in Ontario and 27½ per cent of the whole in the province of Quebec; or, in other words, slightly over 74 per cent of the total manufactured products of the Dominion of Canada emanated from the portions of those two provinces not served by the Canadian National railway.

I think it is safe to assume that most of the manufactured products, transported to some point in this country or in some other country, must naturally be handled over our railroads. It is therefore obvious, I think, that if the Canadian National railway had access to this territory and to this business, it would participate in the benefits of the long hauls to various distant parts of the country, as it cannot do at present.

Let us turn for a moment to the exports alone. Canada exported $882,000,000 worth of goods in that year, of which $600,000,000, or 72 per cent of the whole, came from those two provinces named. There has been during the last few weeks a herring dragged across the trail until it is nearly worn out. It is stated that if the Canadian Government acquires the Grand Trunk railway that will divert Canadian traffic to American ports, particularly to Portland. That, I think, is an entirely erroneous assumption. If Canada is at the present time, or was in the last normal year, exporting $882,000,000 worth of goods, and if 72 per cent of those exports originated in those two provinces, largely in the territory not served by the Canadian National railway, it must have been exported over the lines of the Canadian Pacific and the Grand Trunk, and as a matter of fact the only seaport which the Grand Trunk reaches and uses in winter months is Portland, Maine. Therefore, because of the fact that the Canadian National railway has not access to the industrial centres of Canada, the exports of Canada are now going through an American port; whereas if we controlled that railway, the policy of the Government could be, if so desired, to divert a large portion of the business which originates within our country to our own seaports instead of leaving it to pass through those of a foreign land. With respect to imports the very same situation exists. The imports of Canada were $564,500,000, of which—

Hon. Mr. GORDON: May I ask the honourable gentleman, does he mean that the bulk of the exports are now going by Portland?

Hon. Mr. ROBERTSON: Yes, those handled by the Grand Trunk.

Hon. Mr. GORDON: Is that right?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. GORDON: What about Montreal?

Hon. Mr. ROBERTSON: Well, during the season of navigation.

Hon. Mr. GORDON: During the closed season?

Hon. Mr. ROBERTSON: I assume, honourable gentlemen, that nobody contends that the port of St. John or the port of Halifax would be used so long as the port of Montreal is open.

With reference to imports, there was imported into the province of Ontario for that year $277,000,000 worth of goods, and into the province of Quebec $180,000,000 worth. Those goods are not all used in those two provinces by any means, but are distributed by the firms who purchase them and handle them to all parts of this country. If the Canadian National railway has not access to those bases where those goods come into the country it cannot fairly participate and get its fair share of the business in the distribution of them throughout the country.

I mention these facts to indicate to honourable gentlemen the desirability, and indeed the necessity, of obtaining control of the Grand Trunk railway and operating it in conjunction with the Canadian National railways, if the Canadian National railways themselves are ever to be anything but a liability.

While it is of great importance that the National railways should have access to the industrial centres, we must not overlook the fact that a very large portion of the agricultural products of Canada also emanate from this same territory. Canada in the year 1916 produced $26,000,000 worth of butter, of which over $20,000,000 was produced in those two provinces. In the same year, Canada produced $35,000,000 worth of cheese, $34,000,000 worth of which came from the provinces of Ontario and

Quebec, we produced $58,000,000 worth of lumber, of which $31,500,000 worth came from those two provinces. I mention these facts, honourable gentlemen, to indicate to you that not in manufactured goods alone does this argument apply, but also with regard to agricultural products, to a very large extent, and to show that the business now enjoyed by the Grand Trunk railway ought to be under the control of the Canadian National railways in the interest of the whole people.

But, while these things are important, it is still more desirable that the Canadian National railways should obtain and have connection with the United States railroads. The customs revenue of this country last year was about $147,000,000, which indicates that there must have been a large exchange of business between Canada and other countries. I am not prepared to say at the moment exactly what portion of that was interchanged with the United States; but certainly it was a very large portion, and if the Canadian National railway is to receive any traffic from American roads it must have connections with some of them. Now let us see what the situation is. I used to be in the railroad game for some sixteen years, and one of the things that I was familiar with was this very question of routing traffic and interchanging with foreign lines. Take the condition of the Canadian Pacific railway, if you will, for a moment. They are very much alive to the importance of this particular matter. The Canadian Pacific railway interchange business with the Maine Central at Calais, Vanceboro, and Mattawamkeag, Maine, Dudswell Junction and Cookshire, Quebec, They interchange with the Bangor and Aroostook railway at Brownsville Junction and Greenville Junction, Maine. They interchange business with the Boston and Maine railroad at Lennoxville, Quebec, and at Newport, Vermont. They interchange business with the Central Vermont at Farnham and Stanbridge, Quebec; with the Rutland railway at Iberville Junction; with the Q., M. and S., which is the Delaware and Hudson, at Delson Junction; and with the New-York Central at Adirondack Junction. Coming to the Niagara frontier, over the T., H. and B. railway, which the Canadian Pacific partly own, they operate a passenger service right into the city of Buffalo, and over it they have direct freight connections with every railroad running out of Buffalo, serving the central part of the New England and the Central states. They interchange business with the Michigan Central railway at St. Thomas and at Windsor, and run their passenger trains over the Michigan Central railway into Chicago. They interchange business with the Pere Marquette railway, with the D., T. and I., and several other railroads that might be named, at the city of Detroit. At the Soo they connect with their own Soo line and have access to the whole of the middle and western states. That is a brief enumeration in part; it is perhaps not complete, because I have just named the points from memory. Those are the points of interchange and the facilities that the Canadian Pacific have for interchanging business with foreign lines in Eastern Canada. I happened to be the station agent at one of those points, Brownsville Junction, Maine, for a number of years. At that point they interchange business with the Bangor and Aroostook railway, which is purely a local road within the State of Maine. I remember very well preparing a statement for a committee of which I was a member, and negotiating with the railway in connection with wages, and I know that in one year the charges on freight delivered to the Bangor and Aroostook railway from the Canadian Pacific railway at that point alone was a little less than $1,000 short of $1,000,000 in one year. Thousands of cars were interchanged at that one point within a year. I merely mention that to indicate the importance of having interchange connections with United States roads.

What is the position with reference to the Grand Trunk railway? The Grand Trunk railway, I think, has interchange connections with the Boston and Maine at Portland, with the Maine Central at Lewiston Junction in Maine, and at North Stratford, New Hampshire. It interchanges with the Boston and Maine at Lennoxville, Quebec. It interchanges with the Delaware and Hudson at St. John's. It owns and operates the Central Vermont railway, which has access to all points through Vermont and New Hampshire into New London, Connecticut. It has direct connection with all the roads running to the Niagara frontier. At Detroit it has direct connection with the Wabash, the Pere Marquette, and other roads. It may be interesting to the House to know that for the year ending October 1, 1919, the Grand Trunk railway interchanged with American roads 704,163 carloads of freight, which aggregated 16,642,000 tons. Does not that indicate to us the importance of having direct inter-

change with American lines, if we are going to be successful in the operation of a railroad on behalf of the people of Canada?

What is the position of the Canadian National railway in this regard? East of the Great Lakes they have not one solitary connection except through the New York and Ottawa at the city of Ottawa. What does that mean to the railway? It means absolute strangulation so far as the possibility of obtaining a fair share of the traffic to which it is entitled in this country; and yet, through this little connection in Ottawa, the Canadian National railway, up to October 1 this year, interchanged 14,000 odd cars, 9,229 of which were loaded. If we had access to and direct connection with a number of the large roads in the United States, think what it would mean in the interchange of traffic and the getting of business, the effect it would have on the reduction and the elimination of deficits with which we are faced, and which the public and some honourable gentlemen criticise the Government for. Here is the golden opportunity to eliminate that condition, and to get direct connection with those large and important American lines, and to get a fair share of the through business to all points in Canada, thereby swelling the volume of traffic and rendering more profitable the roads which Canada now owns.

I think that all honourable gentlemen will agree that in almost any business—a manufacturing business, for example—there is a certain overhead expense that will keep on regardless of what the earnings may be. But, as production increases, in like proportion your overhead expense for management decreases in proportion to the amount of output. The same principle applies to railroads. A railroad must have a certain official staff: it must have an accounting department, an auditing department, a car service department, a department of freight and telegraph receipts, passenger receipts, and so on; and if that road is earning comparatively little money, the proportion of the cost of managerial expenses is very much greater than if that road is doing a flourishing business. That is exemplified in the fact that the managerial expense of the Canadian Pacific railway in proportion to its operating revenue is the smallest of any railroad in Canada; and the much-maligned and abused Intercolonial comes next, notwithstanding that it has been charged many times that it has been badly managed.

May I point out a few facts in connection with this matter? I have gathered this information in such a way that I think it must be recognized as accurate. These figures have all been taken from the railway statistics of June 30, 1918, the latest available, and it is to be noted that the Canadian Pacific's operating revenues were $150,274,000, and its general expenses $2,629,000, or 1·74 per cent of its operating revenue. The Intercolonial railway comes next. Taking the Intercolonial, Prince Edward Island, St. John and Quebec, and National Transcontinental railways combined, their total operating revenue was $30,153,000, and their total general expenses $580,000, or 1.94 per cent. The Canadian National railways, or what was the Canadian Northern system, had an operating revenue of $134,879,000, and their general expenses were $3,466.000, or 2.56 per cent. The point is that if the operating revenue of the Canadian National railways as a whole can be increased by increased traffic, there is no reason why the percentage of the operating revenues utilized for general expenses cannot be reduced to the ratio of other lines. The Grand Trunk, for example, had operating revenues of $50,900,000, and general expenses of $1,434,000, or 2.88 per cent; that includes the Grand Trunk Pacific. The point is this: that, with the amalgamation proposed, if the Grand Trunk railway system is acquired by the Government, and merged with the Canadian National system, and operating revenues are increased as they ought to be and will be, then if, instead of having four or five managers, as you have to-day, that staff is reduced to the present basis of the Canadian Pacific, the saving would be the $1,026,000 annually, on the cost of managing these roads alone. Let me put it in another way. $1,026,000 annually, capitalized at 4 per cent, means $26,650,000 of capital investment. I think that is an item worthy of consideration.

It has been suggested in the House of Commons, and I think reference has also been made to it here, that an alternative proposition by way of a traffic agreement with the railway would better meet the need. I speak from experience and some knowledge of railway matters when I say that I am absolutely and positively of the opinion that no traffic agreement can be made between two railroads that is not recognized by both of them as being advantageous to both. I have in mind the traffic agreement, which I am quite sure still exists,

made some years ago between the Grand Trunk railway and the Intercolonial railway. It appeared obvious that it was in the interests of both those roads. The Grand Trunk did not own any lines in the Maritime Provinces, and the Intercolonial did not have any west of Ste. Rosalie Junction. Therefore a traffic agreement was entered into whereby the Intercolonial got into Montreal, and business originating on the Intercolonial for points west of Montreal would be delivered for furtherance over that line. How did that work out? Any one who is familiar with the operation of the Intercolonial train over the Victoria bridge and into the Bonaventure station will know that there has been nothing but disputes, many of them still unsettled, as a result of that agreement. We talk of a traffic agreement with the Grand Trunk whereby it would hand over business to the Canadian National instead of the Canadian Pacific railway for furtherance to points in Western Canada. Just before recess, when I referred to the towns and cities in Ontario served by the Grand Trunk and not reached by the Canadian National railway, the honourable member for De Lanaudière (Hon. Mr. Casgrain) pointed out that most of those places were reached by the Canadian Pacific railway. Honourable gentlemen, that is the answer. The Canadian Pacific railway do not want the Grand Trunk railway, but they do not want the Canadian National railways to have it, because, just so long as the Grand Trunk railway remains a separate entity and unit, just so long the Canadian Pacific railway will draw the long-haul traffic out of those towns not touched by the Canadian National and destined to points which the Grand Trunk does not reach. Therefore I say that no traffic agreement may be made with the Grand Trunk that would be beneficial to the Canadian National in anything like the same degree as would the acquisition of the Grand Trunk property itself.

I made mention before of the matter of the coal supply. Let me refer to that from the industrial standpoint. Have you seen any manufacturing industries locating themselves along the lines of the Canadian National eastern lines at large points like Toronto? I do not think so—why? Because they use coal in their business, and that coal must all come from the United States, and the Canadian National railway having no access to the United States, any coal for those industries must come over the Grand Trunk or the Canadian Pacific lines into the city of Toronto, for example; and if the industry is located on the line of the Canadian National, what happens? The whole freight rate is charged to Toronto, plus switching charge. So long as that condition exists, industries are not going to locate where it costs them perhaps five dollars per car extra to get coal to their plant. You have not access to the existing plant, and you cannot induce industries to locate upon your lines. That is a matter worthy of consideration when deciding as to whether or not the acquisition of the Grand Trunk railway is desirable.

I have not dealt with the question of public ownership, neither do I propose to do so at any length; but I desire to observe that the principle or policy of public ownership is not involved in this matter. It is simply a plain business question of what is the proper and economical thing to do in the light of the existing situation. It is contended by some gentlemen that public ownership and operation of railways in Canada has proved a failure; and they have pointed to the Intercolonial as an example. In the early days I believe that was absolutely true; but within my own recollection and knowledge of the operation of the Intercolonial railway, from the time that the board of management, composed of Mr. Tiffin, Mr. Pottinger, and Mr. Brady, were put in charge, the evils of patronage began to disappear, and when a succeeding Minister of Railways, the late Mr. Cochrane, replaced Mr. Gutelius in charge of the railway, and gave him a free hand, the abuses that I have referred to almost entirely disappeared. In the year 1916 the Intercolonial railway showed a surplus of more than $3,000,000; and, had freight rates been the same on that road as upon other railroads, the surplus would have been very much more substantial.

May I point to another instance of government ownership, and to an improvement in service because of government ownership? I refer to the Great Northwestern Telegraph Company. Up to the time the Canadian Northern was taken over by the Government, the service of the Great Northwestern Telegraph Company was absolutely ridiculous. It is not perfect yet, but it is vastly improved. I mention this in leading up to the point that government ownership need in no way interfere with efficient administration and operation of a railway. If you couple with that government operation, you may get into difficulties but just so long as a railway is operated as a business concern, and is free of political influence, there is absolutely no reason why

the administration and operation should not be just as successful and economical as it would be under private ownership.

I do not propose to take up more time than seems to be reasonably justifiable; but may I point out that two eminent railway authorities some time ago, in commenting upon the railway situation, made some very pointed and, I think, illuminating references to this situation. I would refer to the comment of Sir Thomas Tait, who, in making a certain proposition which meant the amalgamation of a number of railroad interests for the purpose of more economical operation and greater profit, said:

> Very large economies in operation and maintenance can be effected if the five systems herein included in this scheme are worked as one for the good of the system as a whole. The utilization of the shorter or easier and therefore cheaper routes for traffic, the taking up or temporary abandonment of useless lines or lines of little value where the public would not be appreciably affected, the ability to use all motive power and rolling stock freely on any part of the whole system, thus saving much unnecessary movement, especially of freight cars, and obtaining greater service out of such shipment reductions in train service without appreciable disadvantages to the public by avoiding at present duplicate services, joint instead of separate stations, terminals, offices, etc., with consequent reduction in staff, concentration of work in shops and elsewhere, larger purchases and therefore lower prices of all materials and supplies, etc. The savings which could be effected in these and other directions are so many and the aggregate would represent so large an amount that they might go a long way toward paying the deficit in the earlier years resulting from the operation of the Canadian Northern, the Grand Trunk Pacific and government systems.

That is the opinion expressed by a gentleman whom I think every member in this House will recognize as an authority upon questions of this kind.

Likewise Mr. W. F. Tye, C.E., a prominent consulting engineer, expressed similar views in a book which he issued in January, 1917, wherein he points out that the distance between Quebec and Vancouver, by a combination of the Canadian Northern, the Grand Trunk Pacific and Transcontinental, would be sixty miles shorter than via the Canadian Pacific railway; the distance between Montreal and Winnipeg would be sixty-four miles shorter than via the Canadian Pacific railway. From Toronto to Winnipeg the new route would be twenty-eight miles shorter than by the Canadian Pacific railway, 108 miles shorter than by the present Canadian Northern, and fifty-one shorter than by the present Grand Trunk connection. We would also have a shorter line, with much better grades than either the Grand Trunk or the Canadian Northern between Winnipeg and Vancouver.

Mr. Tye further remarks that the Canadian Northern has a very meagre system of very badly placed branches in Ontario and Quebec. That confirms what I have tried to explain this afternoon and this evening when I said that the Canadian Northern lines in Eastern Canada, as they exist today, were a joke. I regard them as just about as good a business proposition as building a million dollar hotel at the North Pole and expecting to fill it with guests.

Mr. Tye goes on to say that if it is to be a success as an independent road it must have such a system which can only be had by duplicating and paralleling the Grand Trunk or Canadian Pacific, which duplication was, in his opinion, useless and unnecessary; but he recommended instead the consolidation of existing lines, which is the proposal now before this House.

I have endeavoured, honourable gentlemen, in perhaps a very imperfect way, to bring forward a few points to indicate the advisability of an amalgamation of these railroad properties, and the benefits to be derived in the joint operation of them. The other question that I referred to at the beginning was: if it is desirable to acquire the Grand Trunk railway, is the proposal now before Parliament and before this House a fair and reasonable one? I do not propose or presume to speak with authority upon financial matters; but my conception of the proposed bargain is simply this, that the bonds and the guaranteed stock of the Grand Trunk Railway, upon which the Grand Trunk Railway has always met its obligations, would simply be transferred; that is, those obligations would continue to be met by the Dominion Government out of the revenues of the railway, as has always been the case on the first, second and third preferred stock and on the common stock, the value of which is questionable, but upon which the Grand Trunk have over a long period of years paid some returns, but not the ordinary returns paid on the guaranteed stock and bonds, namely, four and five per cent.

A question arises as to the value of that particular stock. The Government made an offer to the Grand Trunk Railway Company, based upon the recommendation of the Drayton-Acworth report, which was that an annual payment should be made at the beginning of $2,500,000 a year and increasing after a few years to $3,600,000. The Grand Trunk Railway Company said: "No,

that is not satisfactory; we want a larger sum." If I am not mistaken, they named the sum of $5,600,000. It was not possible to reach an agreement, and therefore the negotiations were, about a year ago, broken off by the Government, who said: "We cannot offer you any more," believing, and indeed knowing, that the Grand Trunk must necessarily realize their financial position —that their obligations were continuing to pile up and that some day they would come to the Government and accept its offer.

The alternative offer made at that time was to arbitrate as to what the value of that stock was and what the payments should be, and that is the question that it is proposed to submit to arbitration. Is there any fairer method of arriving at what the amount should be? I submit, honourable gentlemen, that, even though the arbitrators' award might be more than the Government have heretofore offered, the benefits to be derived from the acquisition of the Grand Trunk railway, and its operation in conjunction with the Canadian National Railway system, for the various reasons that I have endeavoured to point out, would far exceed any award that may be made, and would to that extent reduce the deficit that the taxpayers of this country are now paying from year to year.

What is the alternative if this is not done? If Parliament decides at this time that the agreement shall not be made, but be laid over until another session of Parliament, the Grand Trunk's liabilities will in the meantime increase, and the present excessive cost of operation of the Grand Trunk Pacific and Canadian Northern railways in the West, as separate entities, will continue instead of being greatly reduced by amalgamation, Canada paying those additional expenses in the meantime. My opinion is that the Grand Trunk Railway Company would have good cause to contend before the Board of Arbitration that any additional expense or liabilities that they incur between now and the time that the agreement might eventually be made should be taken into consideration by the board. I think that any of us, in the case of a business proposition referred to arbitration, would take a similar stand. I therefore desire to support this proposed Bill, because I believe that it is in the best interest of the people of Canada and the future success of the Canadian National railways, in which the people of Canada are directly interested.

Just a word with reference to the Canadian Pacific. The Canadian Pacific railway, is in my opinion, the finest and best transportation system in the world. I believe it is most efficiently managed. I was an employee of that road for some sixteen years, and knew every operating official from coast to coast, because of my peculiar business on behalf of the employees bringing me into contact with them all, and I knew something of the efficiency in the management and operation of that line. I want to say to you, honourable gentlemen, that, in my opinion, while I may differ with other members of the Government in that respect—for I know of utterances made in the other House—I do not believe that the Canadian Pacific Company want to acquire the Grand Trunk. They do not need it. They have access to nearly all the industrial centres in Ontario and Quebec that the Grand Trunk have. But the Canadian Pacific does not want the Canadian National railways to acquire the Grand Trunk because, so long as they are competing only with the Grand Trunk, and the Grand Trunk does not extend beyond the southern portions of Ontario and Quebec, the Canadian Pacific have little competition, so far as concerns the long hauls to other points in Canada, which is a profitable business. I submit, honourable gentlemen, that as Canada develops the Canadian Pacific is not going to suffer; that the growing business of Canada will in a few years be ample to meet the full capacity of both of these great railway systems; that the Canadian Pacific railway, by reason of its efficient management, will be an inspiration to the management of the Canadian National railways, and necessarily so. With healthy competition on the part of the Canadian National railways, the Canadian Pacific railway must necessarily continue to keep on tiptoe to give the best possible service. Let service be the basis of future competition. Then the people of Canada will be well served by both great railway systems.

There are a number of other details that I would have liked to mention, but I fear I may have wearied the House already.

Some Hon. SENATORS: Go on.

Hon. Mr. ROBERTSON: But I may briefly refer to some insidious and misleading information that is being disseminated through some of our press. I think it is unfortunate. What the object may be I do not know. On October 23, the Montreal Star, referring to the Grand Trunk, said editorially:

> In taking it over, the Government assumes obligations amounting to over nine million. Even if the Government ran the road as econo-

mically as the Grand Trunk Railway Company, here is a new deficit of $6,000,000 for the Canadian taxpayers.

It prefaces that by saying that the Grand Trunk this year, under company operation, will have an operating surplus of $3,000,000, and then says that if the Government takes over the Grand Trunk railway, which this year had an operating surplus of $3,000,000, the Government will be assuming a new deficit of $6,000,000. Now, what the fact is, and what the newspaper doubtless intends to indicate, but does not say, is that the existing $9,000,000 deficit, according to its statement, would be reduced to $6,000,000, because the surplus earned by the Grand Trunk would be that much off the general deficit if it were a part of the Canadian National Railway system. But see the impression that the article leaves on the minds of readers not familiar with the facts. It says the railway has a surplus of $3,000,000 this year, and that in taking over the system the Government assumes obligations of over $9,000,000 and thereby increases its obligations by assuming a new deficit of $6,000,000. The implication is that there would be a deficit of nine plus six, which is $15,000,000; instead of the fact that it is reduced from nine to six, according to the figures given by the paper itself.

On November 1 the same paper points out—and this, I think, is significant:

> The real danger of the situation lies in another direction.

Referring previously to the acquisition of the Grand Trunk by the Canadian National, the editorial says:

> The emphatic denial by President Beatty was not required to dispose of this C. P. R. apparition.

Then it goes on to say:

> The real danger of the situation lies in another direction. By common agreement, what the C. P. R. Company requires in the interest of the country and of its own virile condition is a strong competitive road. The serious question arising now is as to the ability of political management to afford this competition. What is the situation to-day where political management is concerned?

Then it goes on to point to the British situation and the situation in the United States. I desire to say in passing that neither Great Britain nor the United States, prior to the time that they assumed control of all their railroads, had any experience whatever in the operation of railroads. Government operation in each of these instances, we all know, has not been a success; but that is no reason for advancing the argument that government ownership with independent administration on a business basis will not be a success. I therefore express the hope that honourable gentlemen will not overlook or regard lightly the sentiments expressed in the communication that was addressed to the honourable the leader of this House by the Prime Minister. I know that those who have studied the situation carefully for the past two years and who have knowledge of railroad conditions and railroad operation in this country are honestly of the opinion, and know, that the solution proposed is the only feasible solution of the problem with which we are faced, and that if the amalgamation of those railway properties takes place and the reduction in the cost of operation that ought to take place is realized, and if opportunities are afforded whereby the Canadian National railway can obtain access to the industrial centres of Ontario and Quebec, and connection with United States roads, the traffic of the Canadian National railway cannot but be greatly increased, and the earnings and profits of the road thereby enhanced, and the deficit to the same extent will disappear. I think we must all appreciate the fact that the great majority of the people of Canada are, as the honourable leader of the House pointed out this morning, behind the policy of government ownership; and, while this Bill does not propose, nor is it founded upon the policy of government ownership of public utilities, if that question were placed before the people of Canada to-day they would endorse it.

Let us therefore look to the future rather than to the past. Let us forget for the moment all the causes and complications which have led up to the existing situation, and let us concentrate our minds upon the question: what should we do, as representatives of the people of Canada in this House, in the interests of the whole people? I think that if we approach the question in that spirit and with only that object in view, there is but one answer, and that is to endorse this proposal and thereby effect great economies in operation, and at the same time greatly improve the efficiency of the service. If, finally, all attempts to operate these lines through government ownership fails, then where are we? If you have the Canadian National railway situated as it is to-day, what would it bring under the hammer if connected up in Eastern Canada with the Grand Trunk? Connected up with the Grand Trunk its value is greatly enhanced, I would not presume to guess to what extent;

but, should that be the final outcome, then the logical thing to do is to acquire the Grand Trunk railway and make it a perfect system, so that if government ownership under corporate management does not succeed, some future Parliament would have an asset that some one would want to buy. But if you do not acquire the Grand Trunk, you will not be in that happy position.

Hon. Mr. GORDON: Might I ask the honourable gentleman some question?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. GORDON: I understood the honourable gentleman to say that the Canadian National eastern lines were a joke. Is that right?

Hon. Sir JAMES LOUGHEED: The Canadian Northern.

Hon. Mr. GORDON: Am I to assume that we who supported the acquisition of the Canadian Northern railway were deceived?

Hon. Mr. ROBERTSON: By no means. I said that the Canadian Northern eastern line—perhaps I did not use those words, but that is the portion of the old Canadian Northern system that I was intending to designate. The eastern lines of the old Canadian Northern system, operated by themselves, were an absolute joke. The Canadian Northern western line is the most profitable section of road in Western Canada.

Hon. Mr. GORDON: The honourable gentleman said the eastern lines were a joke.

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. GORDON: As they exist today?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. GORDON: As they existed when we acquired them they were worth less.

Hon. Mr. ROERTSON: No, because they were part of a system which we were acquiring, the larger portion of which was valuable.

Hon. FREDERIC NICHOLLS: Honourable gentlemen, I rise to address the House on this important question under a very grave sense of responsibility. I am a loyal supporter, I hope, of the Government of the day, and my natural desire is to follow in accordance with their views. I may also say that my personal and material interests would be benefited by my following the path of least resistance and voting for the general principle of the Bill without question. On the other hand, I personally have believed in the ideals of this Upper Chamber. We are the last court of appeal against hasty and unconsidered legislation, and we are here supposed to act in the best interests of the country irrespective of what our own personal feelings may be. I confess, honourable gentlemen, that I have been very much worried over my line of action on the floor of this House. I have tried to argue with myself that I as a supporter of the Government would be justified in believing that they had given this matter such fair and full consideration that I might vote for the Bill as introduced in another place without question. But I regret to say that my final conclusion is that I should be lacking in my duty to myself, and also in my duty to the country, did I not have the courage to rise in my place in this House, and give expression to my feelings in regard to this matter. I am not, honourable gentlemen, opposing government ownership; I am not opposing in general the wisdom of the purchase of the Grand Trunk railway; but I am opposing with any power that I possess the unwisdom of the country at this particular time engaging with so little thought and consideration in practically the greatest transaction that has ever been brought before this Parliament.

I listened with a great deal of interest this morning to the honourable the leader of this House, whom both sides of this House admire and respect. In his speech I think he surpassed any previous effort he has ever made; at all events, he surpassed any previous effort that I have heard since I have been a member of this House. But, notwithstanding his brilliant effort, I think that in many respects his arguments were really in the direction of delay. Naturally I do not desire to adopt a line of argument that would be unfriendly to him in any respect. I feel towards my honourable leader as I have no doubt he feels toward me:

> To his virtues ever kind,
> To his faults a little blind;

and I intend to be blind to a good many of the arguments that he has advanced, because they are not material to the question as I propose to argue it in connection with this Bill.

There are, however, one or two matters to which he refers that I feel it is my duty, or my privilege, to deal with. I must say that the brilliant oration of the honourable the leader of the Government almost per-

suaded me to be recreant to my oath of office. But I believe that our oath of office imposes upon us the necessity of giving all affairs of state due consideration. We are sworn to give our best, whether that best be good, bad or indifferent, to the service of the country; and we are sworn to give fair and full consideration to every measure of importance that may be brought before Parliament, and to cast our vote in accordance with our honest convictions.

The honourable leader of the Government refers to the fact that much of our early railway legislation was a series of blunders. I believe that that very argument was the strongest argument that could be advanced in favour of delaying final action on this Bill until we have a very much larger fund of information before us than has been submitted to us up to the present time. It is all very well to take a chance. The honourable gentleman's argument puts me in mind of the lady who came home to her husband and said, "I have bought a ticket for a raffle of a motor car." "Well," he said, "how many chances are there?" "Oh," she said, "that is what decided me: there are a thousand chances, and we ought to have a pretty good show with so many chances." In this case there are a thousand chances of making a mistake. The honourable gentleman has told us that there are forty or fifty subsidiary companies. Each of these companies has hundreds of ramifications in connection with their different phases of indebtedness and in connection with the physical upkeep and equipment of their properties. I confess that I have very little information about all these matters to enable me to come to a decision at this juncture. I have read carefully every speech made in another place as it has been spread upon Hansard; I have read as diligently as I could the public press in search of information; and yet I feel, and conscientiously feel, that I have not at this time sufficient information to enable me to form a fair and unprejudiced judgment, not as to the wisdom of purchasing, but as to the wisdom of taking such an important step upon the meagre information that has been submitted to the country for only two or three weeks.

In the business world there are always two factors to be considered in making a purchase. One is: is the price fair, and such as to yield a profit to the purchaser? The other is: is the time opportune? There has been no argument, honourable gentlemen, in reference to the price, because we have decided to delegate our own responsibilities to a Board of Arbitration to adjudicate this matter without Parliament having anything to say in regard to the final basis of purchase. That of itself would not affect my views so seriously had we been favoured with a copy of the agreement which is to be submitted to the Grand Trunk shareholders for consideration. As a matter of fact, I believe that no such agreement has any existence, and the Parliament of Canada is placed in the invidious position that whereas we are asked to pass an enabling Bill, and to give a blank cheque, the Grand Trunk shareholders are in a much more favoured position, because they have not been called upon to express an opinion until they have seen a copy of this agreement, signed, sealed, and delivered—an agreement in which Parliament is to have no voice, and, in fact, which it is not going to be allowed to see before the transaction becomes an accomplished fact. I do not believe that is a reasonable position to place Parliament in, and I cannot see what harm can be done by delaying the passage of this Bill until next session. To that extent I am in hearty sympathy with the amendment proposed by my honourable friend from Middleton (Hon. W. B. Ross) that the consideration of this question be deferred until next session. During the interval we shall be able to get further information; inquiry can be made; we can get a better idea of the opinions of the people of this country in regard to the advisability of such a vast undertaking. It is assumed that Parliament will meet within three months. Then, are we to assume that, if this question, which came like a bolt out of the blue, is not settled within two or three weeks, Canada is to be very greatly disadvantaged? I think the honourable the leader of the Government gave away the whole position when he referred to the fact that it is absolutely necessary to the solvency of the National railway that this purchase should be completed. That is the very worst argument that could be placed before a Board of Arbitration. It is not usual in commercial life, if a man or a corporation is wishing to purchase an article of any nature, or property of any description, to preface the bargaining with the statement that "unless we are able to purchase it from you it really means the insolvency of our own enterprise." I think that the statement of the leader of the Government that the purchase is absolutely necessary to the successful

operation of the present state railway is an intimation to the arbitrators to place a very high value upon the assets which may be submitted to them for adjudication. That, after all, would not be so vitally important, if Parliament, the representative of the people, were to have an opportunity after the award to express any opinion thereon. But I believe that in another place the proposition was made that the award of the arbitrators should be subject to the final ratification of Parliament, and that the amendment was not accepted, and it is not in the Bill at the present time.

I do not intend to go very deeply into the financial question; but I think that before we assume such a heavy responsibility we should at least give some consideration to the financial position of the country at present. In ordinary commercial life, if a bargain is to be made, if a purchase is to be considered, the prime question the purchaser has to consider is, can he afford it? Therefore I make no apology for bringing a few facts before the honourable members of this House in regard to our financial position at the present moment. I will deal very briefly, perhaps, all too briefly, with some few facts and figures that I think may cause honourable gentlemen to give consideration to the importance of the financial situation in the final consideration of whatever action they may decide upon in connection with the passage of this Bill. Five years ago the interest on our Federal debt was only $13,000,000 per annum; to-day, after such a short space of time, it is $115,000,000. In addition to this $115,000,000, there is an annual charge of from $30,000,000 to $40,000,000 for pensions, etc., or a definite fixed charge of $150,000,000 annually, to which again must be added the deficits from the operation of our national railway, of perhaps some $25,000,000 more, making a total in all of some $180,000,000. Our total estimated revenue for the year, including customs and excise receipts, war profits tax, income tax, etc., is $280,000,000, leaving a balance of only $100,000,000 for ordinary and extraordinary expenditures. I believe, honourable gentlemen, that I am correct in saying that our total expenditure this year will be between $700,000,000 and $800,000,000—more nearly $800,000,000 than $700,000,000, including demobilization and capital expenditure, which would leave a shortage of over $500,000,000. We have been so accustomed during the last few years to dealing with such great sums that perhaps these figures may not have the same effect that they would have had a few years previously; but when we come to consider that we would have a shortage of receipts of over $500,000,000 this year over the estimated expenditure, and $650,000,000 in excess of the total expenditures of government five years ago, surely it is time to pause and give consideration to a question that is going to add another half billion dollars to our liabilities. We know that our liabilities will be added to to the extent of half a billion dollars. We also know that from that should be deducted a certain amount of assets, but the liability is fixed and the assets are conjectural.

I noticed, as I suppose honourable gentlemen all did, that the other day Mr. Boville, Deputy Minister of Finance, submitted a statement to a committee of Parliament, showing that in addition to the capital expenditure of $529,122,445 covered in the estimates for the current fiscal year passed by Parliament at its regular session there must be added the following: To meet cost of Grand Trunk receivership, including interest and deficits on operation, $15,000,000; provision for credit for Great Britain and allied countries, $125,000,000. These figures increased the country's obligation, other than current expenditures, to an amount in excess of $699,122,445. Since this statement was made, I have seen supplementary estimates brought down totalling $62,000,000 additional.

Now, honourable gentlemen, it is all very well during this time of prosperity to congratulate ourselves on our ability to meet expenditures; it is all very well to feel that our Victory Loans in the past have been a success—and I hope our present Victory Loan will be a great success. But these figures that I have read entail the necessity for further Victory Loans of several hundred millions a year for several years to come, and the question is whether the country will be in the same prosperous condition then to raise those loans as it is to-day. We are blessed at the present time with a great favourable balance of trade. because our exports exceed our imports by a very large amount. One reason for the very favourable balance of trade is the high price of wheat and other agricultural produce. But, fortunately or unfortunately, our trade returns are in dollars and not in tonnage. To-day the farmer is receiving $2.25 a bushel for wheat as against $1 a few years ago. The reason for that is that the devastated countries of Europe have

not been producing, and therefore we, in common with other nations that have a surplus to export, are able to sell our surplus products at a very high price. It is reasonable to assume that these wheat-producing countries, however, now that the war is over, will soon be able to attain as great a measure of production as during the pre-war period, and that to a certain extent will limit our export trade of the future. As soon as our export trade of the future becomes limited, the prices must of necessity fall, and, although our tonnage available for export may increase, our receipts in dollars will be certain to fall off. In 1917 our foreign trade reached the crest of the wave, amounting to $2,552,000,000. This was 250 per cent greater than in 1915 and 350 per cent greater than in 1914. In 1912 our imports exceeded our exports by $293,000,000. In 1917 this balance was reversed, and, instead of being $293,000,000 against us, there was $542,000,000 in our favour. Because of this, and because of the war and the prosperity that has come to Canada on account of the war, we have been able to bear these financial burdens. It is because of the great influx of money into this country for munitions, for war materials, for wheat, for every kind of farm produce, every kind of woollen goods—in fact, every line of production in which Canada is able to engage—that we have been able to undertake the obligations that we have undertaken. Honourable gentlemen, can that continue? Is it reasonable to suppose that it can continue? There is no one more anxious than I am—and I am sure every member of this Chamber is anxious—that it shall continue, but I am sure that there was never a flood-tide without an ebb. There is no doubt we have reached the crest of the wave. The trade returns show it to-day. Our favourable balance of trade is gradually receding, and to my mind it is doubtful whether we are going to be in such a financial position that we shall be able from year to year to assume a burden of several hundred millions of dollars over and above our annual receipts from the taxation which is now imposed.

It has been estimated by the government statistician that the present total value of the whole resources of this country is equal to about seventeen billion dollars. I want to be careful about these figures, and therefore I have taken the official figures of the Dominion Bureau of Statistics, as published in The Canadian Official Record, and I am going to ask the indulgence of this House while I read the details of this compilation, which are very illuminating, very instructive. I make no apology for bringing these figures before the members of this House, because in my judgment each and every one of us ought to be acquainted with a matter of such vital importance to the future prosperity of this country. We talk in a grandiloquent way as to our undeveloped resources, and it is true that we have magnificent undeveloped resources, but they are not illimitable. It is also true that if we undertake the development of those resources we must find capital with which to develop them, and if we are to find capital for their development, we must save and serve. We must find the capital to develop our resources in this country, or we must go abroad to find it; and if we are to go abroad for it we must first of all show that Canada is in a prosperous condition and has not overweighted itself with obligations, in order to obtain the confidence of invested capital from abroad. The items of the inventory of the national wealth of Canada are as follow:

Table I.—Inventory of the National Wealth of Canada.

Items.	Estimated present value.
Agriculture—Improved lands	$ 2,792,229,000
Buildings	927,548,000
Implements	387,079,000
Live stock	1,102,261,000
Fishing—Total capital invested	47,143,125
Mines—Value of buildings and plant	140,000,000
Manufactures—Plant and working capital	2,000,000,000
Railways	2,000,000,000
Street railways	160,000,000
Canals	123,000,000
Shipping	35,000,000
Telegraphs	10,000,000
Telephones	95,000,000
Real estate and buildings in cities and towns (based on assessments of 140 localities)	$ 3,500,000,000
Clothing, furniture and personal effects	800,000,000
Coin and bullion—Held by Receiver-General	119,000,000
Specie in banks	82,000,000
Value of token currency	7,500,000
Imported merchandise in store	250,000,000
Current production—Agriculture	1,621,028,000
Fishing	39,000,000
Forestry	175,000,000
Mining	190,000,000
Manufacturing	2,400,000,000
Total	$19,002,788,125

These figures are not mine; they are from the Dominion Bureau of Statistics and are published in The Canadian Official Record. It has this further to say:

The Bureau of Statistics explains that although Table I adds up to a total of over nineteen billion dollars, some repetition of values among the items reduces this total. For example, the item "Real Estate and Buildings in Cities" overlaps upon the item "Plant" under the heading "Manufactures." The statistics given to show current manufacturing production in the table do not consider the fact that values of raw materials are repeated in the addition of such items as wheat, flour, bakery products, etc., and of such items as iron ore, pig iron, steel ingots, bars, wire, etc. The Bureau of Statistics believes that between sixteen and seventeen billions would be a liberal estimate of the total capital invested in Canada.

Now, honourable gentlemen, our national debt at the present time is approximately $2,000,000,000. We are now undertaking to add to that vast sum an additional $500,000,000, making it $2,500,000,000 as against a total invested capital of $16,000,000,000. I do not say it is too large a proportion. Each one of you is able to form your own estimate just as intelligently as I am; but the point that I am trying to make is, not to argue against the purchase of the Grand Trunk Railway system by the Government, it may be a perfectly proper thing to do in good time; but I am arguing and I do urge that there is no such desperate hurry as to make it necessary to close this matter, which has been before the public for only three weeks. If we are to do justice to ourselves and to the country, we ought to take ample time; we ought to give ourselves the benefit of the doubt; and, when we do re-assemble for the purpose of casting a vote regarding the proposed purchase, we can do so intelligently, feeling that we have acted according to our best judgment and have not been hasty in supporting an enterprise injudiciously hurried, and which may mean that not only ourselves, but more particularly future generations, will have to bear such a burden of taxation as will tend to restrict further national development.

I do not wish to take up too much time in quoting figures; but I thought it would be in the interest of the House and of the country that there should be some recognition of the question of the proportion of our obligations to our national debt, that there should be some consideration given to the relation of our income to our outlay, and to the question whether now is the appointed time.

There has been a bogey held before us in connection with the argument that unless we come to an immediate decision for the Government of Canada to purchase this railway, the Canadian Pacific railway will gobble it up. Personally I do not believe that that is possible. I think the honourable member for Middleton (Hon. W. B. Ross), in reading the extracts from the statutes of Canada this afternoon, including extracts from the Railway Bill which we passed last session, fully exploded the idea that the Canadian Pacific railway had any power to purchase the Grand Trunk railway without the consent and sanction of the Parliament of Canada. It may be interesting to read, however, the remarks of the president of the Canadian Pacific railway in this connection, in a speech delivered in Montreal on the occasion of the organization of the Victory Loan campaign in that city. He said:

In the first place, I may be pardoned for calling your attention to the fact that there exists by statute an absolute prohibition against any arrangement by way of amalgamation or joining of earnings between the Canadian Pacific and the Grand Trunk or any branch lines of the Grand Trunk or leased by it or under its control. In the second place the Grand Trunk duplicates, in many respects, the existing facilities of the Canadian Pacific, which would render its acquisition both unnecessary and unwise. In the third place, the Grand Trunk cannot be divorced from the Grand Trunk Pacific with its enormous liabilities—liabilities which I imagine no corporation in Canada would think of assuming even though they were able to do so and, lastly, the acquisition of the Grand Trunk or any portion of it has never been suggested to the Canadian Pacific or by the Canadian Pacific and has never been considered or contemplated in any way or by any means direct or indirect.

I feel, honourable gentlemen, that I am occupying the time of the House too long—

Some Hon. SENATORS: No, no; go on.

Hon. Mr. NICHOLLS:—and more particularly as I feel that when this Bill comes before the Committee of the Whole, if it ever does come before the committee, I shall have something further to say in reference to certain amendments which, if adopted, may be reasonably expected to modify the effect of the passage of this Bill as now submitted to us. I desire to say again, as I said at the outset of my remarks, that I feel a great sense of responsibility. It is no easy task for a loyal supporter of the Government to rise in his place and criticise any action of that Government. But, on the other hand, honourable gentlemen, I want you to consider just this point: If you were in the highway and saw a car filled with your own friends taking a very sharp curve and you hoisted a danger signal to warn them against something that might lead them to destruction, do you not think that you would be doing your duty to your friends?

Honourable gentlemen, as we are discussing a railway measure, I want to draw your attention to the fact that probably the best known and commonest sign in connection with the railway business is a sign that will be found in every township at every point where a railway crosses the highway. That sign is well advertised. It is a very simple one and is designed to save the public from danger. It reads "Stop, look, and listen." Honourable gentlemen, I want to say with reference to this Bill that in my judgment it would be the part of wisdom to stop until we have sufficient information to enable us to form an intelligent judgment before casting a vote on such an important question. I say we ought to look most carefully into all the multifarious ramifications of the large number of subsidiary companies, which may have all kinds of unknown liabilities; and we want to look very carefully into any international questions that may arise in connection with the operation of 1,600 miles of railway in a foreign country. And, in conclusion, let me say, honourable gentlemen, that we want above all to listen for the judgment and the voice of the people of this country, who have had no opportunity to express any decided views either for or against this most important proposal, because it has been before Parliament and before the country for a period of only three weeks. I should be very glad to vote for the purchase of this railway if I felt assured that the country would not suffer thereby. I am not opposing the principle of public ownership but I submit that it is unwise and injudicious for Parliament, and more particularly for this honourable House, to come to any hasty conclusion on inconclusive evidence; and therefore I think it would be the part of wisdom for us, before committing the country to an expenditure of half a billion dollars, which, when once done, cannot be undone, to Stop, to Look, and to Listen.

Hon. NATHANIEL CURRY: Honourable gentlemen, when it was first rumoured that the Government might take over the Grand Trunk Railway system I was of the opinion that it would be better to wait until the present method of operating our Government railways had been tried out. But when it became evident that the Grand Trunk could not fulfil the obligations entered into on account of the Grand Trunk Pacific, and that the Government would have to assume those obligations and operate the non-paying portions of the combined system, I came to the conclusion that the Government should take over the Grand Trunk railway at this time, more particularly as the present Government system is all length and no breadth, and sadly lacks feeders. The Grand Trunk system will add breadth to the Government system, and will supply the necessary feeders, thus enabling the whole system to earn its fixed charges. In addition, it will save enormous sums in doing away with the duplication of terminals, administration, train service, printing, advertising, etc.

There does not seem to be any doubt as to the value of the Grand Trunk property. The greater portion of its mileage is through the richest and most thickly populated portions of Ontario and Quebec. The principal objections to the acquisition of this road seem to be based upon, first, a fear that the Government would get into difficulties with the United States Government over the American mileage. If honourable gentlemen will look at statistics, they will see that the United States ship to this country nearly double the tonnage that we ship to them, and that that enormous tonnage of goods that we purchase from them is transported very largely over the Grand Trunk American mileage. The American people are keen traders, and they are not going to bite off their noses to spite their faces; neither are they going to throw any obstacle in the way of the operation of the Grand Trunk mileage in the United States so long as it enables them to ship their goods to this country. As time goes on, I think we shall find that, instead of obstacles being placed in the way of Canadians owning American mileage, that will be encouraged. The United States want their trains to run into Canadian cities, and they want Canadian trains to run into American cities, and will afford every facility for the interchange of commodities between the two countries. We have in this country over three hundred manufacturing companies which are subsidiary to United States companies; therefore I do not think we need ever have any fear that the United States will do anything to prevent us operating railways in their country. As a matter of fact, as it is now, that mileage is owned by British shareholders; and I think that if there were to be any change the American people would much rather that the people of Canada should own that mileage than that the people of Great Britain should.

Another objection seems to be a fear as to the outcome of arbitration. That objection, no doubt, was a sound one two or three weeks ago; but since the third member of

the arbitration board has been named, I think it is practically impossible for Canada to get anything other than a fair deal in the arbitration.

Still another objection is doubt as to the ability of the Canadian Government to operate so large a system of railways. In answer to that I would say that it is an unheard-of thing among business men to abandon a large and promising undertaking for fear of future bad management. To solve the problem of management, honourable gentlemen, I would propose that, after the Government has acquired the Grand Trunk Railway system, all of the Government railway systems and steamship lines should be amalgamated with the Canadian Pacific railway, and that the Government should take shares in the amalgamated company for the whole of its property, which would give it something like 40 per cent of the shares of the amalgamated company. We all know that since Confederation Canada has paid out to the railways continually, year by year, cash subsidies, land grants, and bond guarantees, to the extent of hundreds of millions of dollars. The honourable the leader of the Opposition said this morning that in all they amounted to about $1,000,000,000. Under the arrangement that I have suggested, those enormous expenditures would absolutely cease for all time, and instead of paying out money we would be receiving year by year dividends on our shares.

It might be said that this would create an enormous monopoly, but it would be a benevolent monopoly, and one which the people of Canada would profit by. With one system of railways it would be practicable and profitable to run between all large centres of population in Canada certain trains at a speed of 60 miles an hour. It would also be possible to put on the Atlantic 25-knot boats, connecting at Halifax with 60-mile an hour trains for all large cities in Canada and the Northwestern States.

It is an acknowledged fact that trade follows the best transportation routes, and such a transportation company as here outlined would be the largest and most efficient in the world, both on land and on sea, which would mean trade and commerce to Canada, and the general development of the country would advance with very rapid strides.

Some critics complain that this Bill is being rushed with undue haste, forgetting that the matter has been before the country for nearly two years. It has been discussed in the papers; it has been discussed in Parliament, and I think this is the third session in which more or less has been said for or against it. As I understand the matter, our Government, after a long series of conferences, made a definite offer to the Grand Trunk people to acquire this system, an offer that the Grand Trunk people considered was so low that it would be impossible for them to accept. However, they finally did accept, and when they had accepted it seems to me that it was up to the Government, who had made the offer, to deal with the matter, and that is what the Government has done. This acceptance, as I understand, took place only four weeks ago, and immediately upon receiving that acceptance the Government proceeded to act, and asked Parliament to ratify the arrangement.

In conclusion, I wish to say that I have given this matter very careful thought. I have read the speeches made in Parliament and out of Parliament, and I have come to the conclusion that the Government should take over the Grand Trunk system now, under this Bill. Therefore I will vote for the measure.

Hon. GEORGE G. FOSTER: Honourable gentlemen, no man who appreciates the importance and meaning of national and personal debt can fail to experience a sense of great responsibility upon being called to consider, or to vote upon, the mighty project which was submitted to this House with such consummate skill by the honourable leader of the Government. I am not going to ask this Chamber to listen to any academic discussion upon the question of government or state ownership; I am not going to enter into all the details which have filled the press and the Parliament of this and other countries for months past, with regard to the question of the ownership and management by the state of the railways of this continent. I desire, however, to ask, as one of the representatives of my province, that the Government of this country shall give careful, earnest and sincere attention to the resolution which was moved this afternoon by the honourable gentleman from Middleton (Hon. W. B. Ross) and grant those of us who really desire to understand this proposition a real opportunity to know the whole truth concerning this great question.

Like the honourable gentleman from Toronto (Hon. Mr. Nicholls), I am not prepared to say that at some future time, when the people of this country have had

ample time to consider the question, when we have been given information which is not now before us, that it will not be their duty and my duty to support the purchase by the Government of the Grand Trunk railway. But what I say to this House with all earnestness is that, having in mind the financial position of the country, knowing as I do that at this moment we do not know the maximum amount of our national debt, knowing as I do that we have unsettled liabilities in many directions in connection with the war, great obligations with regard to the settlement of the soldiers, and in connection with many other great national projects, it behooves the Senate of Canada to hesitate well before it involves our country in an expenditure such as is represented by the purchase of the Grand Trunk railway at this time.

I listened with a great deal of interest to the address of the honourable the Minister of Labour (Hon. Mr. Robertson) this afternoon. I heard him dilate upon the miles of railway, and the traffic arrangements and the great business that has been done by the railways in Canada; but I want to tell the honourable gentleman that he has not convinced me that the experience which has followed public ownership and government management in the United States is not going to follow us. even when he has a monopoly of the railway mileage that he says he wants to obtain. If the people of the United States. in spite of the energy and ability and courage with which they adopted this same project, determined to make it a success, believing that it could be made a success, made nothing but the abject failure which they did, what right has an honourable minister to assume that he can make a success in Canada, rather than the failure that the people to the south of us made in their country.

When I went down to the United States during the months prior to the taking over of the railway system of that country, every one was filled with enthusiasm over the great project before the people, and confident of the great success which they were going to achieve. They were going to have lower freight rates, cheaper fares, better railway administration; but what has turned out to be the result? From the first three months after they took possession of the railroads until to-day, they have had a miserable, broken-down system of railways. There is no man in the Union bold enough to stand up and say that he wants the Government to retain the management or ownership of the railways of the United States. There are no newspapers or magazines bold enough to proclaim the desirability of the people retaining them. And yet our ministers would force us to adopt a course which brought misfortune there, and will to us.

Look across the water, and see the experience that they have had in England; see the experience that every country—with the possible exception of Germany—has had in the matter of the operation and administration of Government railways. Having in mind the experience of others, any man who comes to me and tells me that I have to support Government ownership of railways in my country, has to lay his cards on the table, cards that will prove that success will follow, before I will believe one word that he says; and this Government has not, nor has any member of it, ever attempted to do so.

It has been said that perhaps the experience of the people in the United States might not come to us. But our conditions are similar and we have no reasonable right to expect other results. In the first place, over $600,000,000 more has been taken out of the people in the United States by increased rates and fares in one year than was the case under private ownership. They have run behind almost $400,000,000, and there is not a public man in that country to-day who will deny that the whole attempt has been an abject failure. If all the figures that have been given with regard to the National railways, the working out of the interchange of commerce, and the possibility of utilizing what has been described as a rotten system which this House was buncoed into buying, could be substantiated, I am not prepared to say that I would not make the sacrifice at some time in the future, at a fair price, of buying the Grand Trunk railway; but I say it is camouflaging the people of this country to say that because they bought the Canadian Northern they should be crucified and bound to the principle of buying the Grand Trunk railway. What was the story that came to this House with regard to our obligation to buy the Canadian Northern railway? In the first place, we were in the midst of the war. There was not a man or a woman in this country who was not worried to death with the fear of what might happen to this land, and to our boys on the other side, and we did what we could to carry on here until the war ended and our boys came home. What were we told when asked to buy the Cana-

dian Northern? "If you do not buy the Canadian Northern your banks and your loan companies and your other railways and your municipal guarantees and every province in the country will be ruined and your national credit will go to the wall." The first thought that came to us was that we should be administering comfort to the enemy, and, so far as I was concerned, that was the one important consideration; and when that thought came to my mind I said: "No, if it is necessary, in order to save the national credit of Canada, in order to promote the well-being of the institutions of this country, that we should keep up our flags until this war is over, no matter what may be the cost, I will vote in support of the purchase of the Canadian Northern. But what is the story that comes to this House and the country to-day? All danger of German invasion is past; all danger is past of anything happening to the boys. We in this Chamber are able to sit down and quietly think out the business aspect of this transaction; and with what are we approached? With the same story that we heard before? No. No bankruptcy for Canada, no misfortunes for our country, no ruin for any Canadian institution; but some stock-brokers and other persons from London come here and say: "We owe you some money; we cannot pay it; buy what we have and let the price be fixed by arbitration." I say, honourable gentlemen, that the conditions are different—as widely divergent as the poles. I say to these gentlemen: "You are not a band of philanthropists; you are not a poor, weak lot of people who need to be protected; you did not build the Grand Trunk railroad for the glory or the advantage of this Dominion alone; you did it to make money; you did it in the same spirit as other men have invested in financial institutions; you have played the wrong horse, you have lost some money, and you cannot get it all back; but you owe us some money; we do not say we will put you on the street if you do not pay it, but we say to you, come and sit down at the table with us. You say you have a good railroad; our minister says we have a poor one; let us see how we can unite the two and save them both, but, for Heaven's sake—I appeal to this Senate—do not tie around the neck of generations unborn in this country a noose that will perhaps strangle the future financial well-being of this Dominion."

It may be that my picture is too black; it may be that in the working out this scheme may turn out to be a success. But in the meantime what are we asked to do? To hand over to a Board of Directors, the names of whom we do not know, to a management whom we have never seen, and whose capability we do not know, $1,500,000,000 worth of property that comes from the people of this country to manage for us. If they make a success of it, well and good; but if they make a failure—if their good habits, their skill, and their good fortune in handling the affairs of the company are not any better than those of some other railroad companies on this continent—what is going to happen? This country at the start will get no return on a billion and a half of dollars wrung out of the people of this country. Worse than that, we shall be at the mercy of the good judgment, the good will and the skill of these men, if we are not to be face to face each year with a deficit. With money which is needed to provide comfort for the boys who have come back, and to provide them with homes, it would be a shame to see any chance taken in the manner which is indicated by this proposition. I say, honourable gentlemen, that I cannot face the possibility of that happening until I have had every opportunity to study this question.

No matter what may have been done by Sir Robert Borden or somebody else in England, I never heard of this as a live issue in this country until the last two or three weeks. I heard rumors that there was talk about the purchase of the Grand Trunk, but nobody told us anything about the details. I heard there were some stock-brokers here who were booming the stock. It was their right and privilege to do so, and that did not interest me. But all at once I am told that this scheme is presented to the people of this country, and once more history in this country repeats itself; somebody cannot wait. The dead could not wait for the Grand Trunk Pacific to be built, and now it is said the living cannot wait to let us study this question and we must buy the Grand Trunk without an hour's delay. They ought to be compelled by the Senate of Canada to wait until we can study this question—to wait until we know what it means.

Away back on a page of Canadian history that is black with the loss of reputations and failures of men in politics, it is recorded that Hon. A. G. Blair renounced his seat in the House and his position in the Government over the building of the Grand Trunk Pacific and said: "Wait and study that proposition; don't saddle this country with possible ruin." And some day there will gather in his native province a body of earn-

est men and women who will erect a great monument in his honour, not because he was the Premier of his province, not because he was one of the leaders whom Sir Wilfrid Laurier picked as one of his right-hand men when forming his great Cabinet, not because he was head of the administration of railways in this great Dominion, but because he stood on the floor of the House and said, "Wait and study before you involve the people of this country in the building of the Grand Trunk Pacific." It is in that spirit, honourable gentlemen of this Senate, that I speak to you to-night, and I ask you, without any regard to your political feelings, excluding from the consideration everything that you and I can think of but this bald question: is there any reason for haste, unless the same siren who sang then sings now—unless the man who stood on the floor of the House and forced the Grand Trunk Pacific onto this country when Blair left is in the streets of Ottawa or elsewhere to-day singing the same siren song to lure this country on to a great national blunder? Only then he said the Grand Trunk Railway would bear the burden, whereas to-day neither ne nor any one else shows us how or who is going to pay the bills.

I regret, like my honourable friend from Toronto (Hon. Mr. Nicholls), that on this occasion I am obliged to disassociate myself from men with whom I have no quarrel, and with whom I have no disagreement on any principle of policy or anything else except the purchase of the Grand Trunk railway. I regret it particularly because this proposal comes before me and before this House at a time when a man whom I love and whom I have placed on a pedestal above any other living Canadian as having accomplished greater things for Canada than any other living man is ill and absent. But my duty to myself and my children, my duty to my province and my country, is to represent their feelings honestly when I can agree with them, and to say to the Senate of Canada that the people whom I represent, the people in the district of Montreal, and in the province of Quebec, do not understand this question. Those who do understand the proposal do not approve of it, but are bitterly opposed to it. If that is the case, why should we not wait? Who is going to be hurt? Why should we ignore the great province of Quebec? We shall meet in three months, and when we do the Canadian Pacific Railway, according to the Minister of Labour, will not have gobbled up the Grand Trunk, and every man here knows, whether he says so or not, that the situation will be exactly what it is now. We shall say to the president of the Grand Trunk Railway: "Put down in writing what it is you are selling this country and what assets you have." We should inquire of the President and the Government at Washington what they are going to say when we own thirty-five railroad corporations within the limits of the United States.

But my honourable friend (Hon. Mr. Curry) said that we had a great many interests in the United States and they had a great many here. To own a pulp-mill or a large factory in another country is quite different from controlling transportation in that country. If you get into trouble with the people of that country or have any misunderstanding with them, or if some German or other citizen of their country wants to find fault with, or complain of what you do, the case is far different. I say that one of the first things that should have been put before this House was a declaration of policy on the part of the authorities of the United States that they were not going to oppose the procedure which we propose to adopt. For myself, I should view with alarm—I should not permit if I could prevent—Japan or France or the United States buying a railroad that ran into Halifax or Vancouver and controlling miles and miles of railway in our country. I should object to that. I do not know that the United States will object. The good will which exists between the two countries to-day may enable us to secure from them approval of this proposal. If they do approve, let us consider it; let us know the value of what we are going to get; let us know in dollars and cents what will be the total saving in operation, and the assets which the Minister of Labour has described; and then let the Government come before the Senate in three months' time and tell us the whole story. Put your cards on the table, and if it is in the interest of Canada at some future time to buy the Grand Trunk, I will vote for it. But, because I think it is not at this time in the interest of Canada to vote for this purchase as it has been laid before this House, I shall vote against the project as submitted and in favour of the amendment of the honourable senator from Middleton (Hon. W. B. Ross).

Hon. GEORGE GORDON: Honourable gentlemen, it was not my intention to say anything upon the subject to-night; but when a responsible minister of the Crown rises in this House and tells us that the

eastern lines of the Canadian National railways are only a joke, and particularly since I was one who supported the Government in acquiring that "joke," I think it is time for us to consider very seriously what it is proposed to impose upon this country at the present time. If the eastern lines of the Canadian Northern railways are a joke to-day, then they were a worse joke the day we acquired them; for I understand that this year we have spent upon those roads, not only the eastern, but also the western one, over $85,000,000. Therefore I am safe in assuming that many millions of dollars have been spent on these eastern lines. Now we are told it is only a joke. If I had been told that it was only a joke before I voted for the acquisition of that line, my vote would have been placed differently. Is the present proposal a joke? If it is a joke, I want to say to you that so far as I can see it will cost us a great deal more than half a billion of dollars. We are asked to buy something and we are not told the price or the terms. We are told that the Grand Trunk is bankrupt, and then some person rises and tells us what a valuable asset it is. This alone, in my opinion, is enough to make us pause and wait until we get sufficient information about the deal to allow us to form a fair judgment.

Let me point out to you just a few figures. I give you these because they have not yet been referred to by any person here this evening. Take the general statement of assets and liabilities as shown at pages 38 and 39. There is given, among current assets outstanding, one item of $43,000,000. When I first looked at that item I naturally thought that these were assets which would be available to help to discharge some of the liabilities. A statement of the assets was given in another place, and to my surprise one of the items read out was some $8,000,000 advanced to the Central Vermont. That was given as a current asset. In my opinion, that asset is just as much a fixture as a rail in the Central Vermont road. Another current asset was over $14,000,000 advanced to the Grand Trunk Pacific. In the whole total of the $43,000,000 there is not, I venture to say, over $3,000,000 that should be classed as current assets.

When we find that there is such a deficiency in the information before us, when we have not before us the right accounts, is not that alone a strong reason why there should be a delay in order that we may obtain information as nearly correct as possible—within a few million dollars at least—about the liability which will be saddled upon us in the event of our acquiring this system of road? We do not even know the terms on which a certain portion of the stock is to be arbitrated upon. We could not possibly expect to know what that is going to cost; but I say that part of the terms of this bargain, just as much as if we were paying it to the stockholders, is the amount of money that will have to be expended to put the system in condition; and it was stated in the Drayton-Acworth report of 1917 that the deferred expenditures at that time amounted to over $51,000,000, and we have reason to believe that to-day the deferred expenditures are millions of dollars more than they were then. The Minister of Railways stated in my hearing that no examination had been made of the road recently, and therefore the department was not in a position to know what expenditure would be necessary in putting the road into condition. This afternoon in this House, the Minister of Labour read a report by Mr. Mountain, an engineer of the Railway Commission, in which he stated that he had spent two or three days only last month in going over a certain portion of the road, and he found that that was in good condition. Upon such a report as that we are expected to pass judgment on this great railway system.

Hon. Mr. CROSBY: Three or four months.

Hon. Mr. GORDON: Not three or four months, but just a few days.

Hon. Mr. CROSBY: No.

Hon. Mr. GORDON: Hansard will show that to-morrow.

Hon Mr. BEIQUE: The 26th of October.

Hon. Mr. CROSBY: No, it was in June.

Hon. Mr. GORDON: Is it of small moment to Canada at the present time whether, after having obtained this road, it is to spend upon it $1,000,000 or $75,000,000? I ask you, honourable gentlemen, is that a matter of small moment to this country? I have been trying honestly and with all my might to find out, ever since this question has been brought up in the other House, what our liabilities would be outside of the arbitration value which may be put upon the stock, but up to date I have not been able to find that out. It seems to me that we will be assuming a liability of $535,000,000 at least, exclusive of whatever the arbitration award upon the stock may be.

It is safe for me to assume that the liability altogether will be nearer $600,000,000 than $500,000,000. Do you not think it is a reasonable proposition that we should know, within six or seven or eight or ten million dollars, about what the liability will be?

Hon. Mr. ROBERTSON: May I point out to the honourable gentleman that the information is clearly set forth on page 1443 of the Commons Hansard of October 27.

Hon. Mr. GORDON: What is it, then?

Hon. Mr. ROBERTSON: I haven't it before me, but the information is there.

Hon. Mr. GORDON: Does the honourable gentleman remember within ten or twelve or fifteen million dollars what it is?

Hon. Mr. ROBERTSON: I was just drawing the honourable gentleman's attention to the fact that it was on record.

Hon. Mr. GORDON: I believe I have read what the honourable gentleman refers to, and, as near as I can come to it, the figures are what I stated a while ago—something between $500,000,000 and $600,000,000, perhaps $535,000,000.

Now, let me say that I have the same sympathy for the shareholders of the Grand Trunk Railway Company as I have for the shareholders of any other company, no more and no less. The officers of their company entered into a contract with the Government of the Dominion of Canada with their eyes open. I was one of those who very much approved of the stand which the Opposition took at that time in trying to persuade the Government not to go on with the deal. However, the contract was made. The Grand Trunk Railway Company shouldered certain obligations. they became endorsers, as it were. Now they are squealing and seeking to get away from their obligations; they are even whining; they are even going so far as to say that if the Dominion of Canada does not treat them extremely generously we shall be precluded from going over to England for any funds or loans that we may seek later on. I for one do not believe that there is anything in that at all, and I believe that the Dominion of Canada to-day should ask them to carry out their contract.

Some of my honourable friends say they are bankrupt and cannot pay anything. Well, if they are bankrupt and cannot pay anything, that would end it. But if they are bankrupt, how is it that under this proposed agreement the first thing which the Government of the Dominion of Canada proposes to do is to guarantee the payment of £12,500,000 of their guaranteed stock at the rate of 4 per cent—in other words, placing that in the position of being worth, if not now, at least within a very short time, $60,000,000. That is not all: the debenture stock is going to be guaranteed, $155,000,000 more of debenture stock is going to be guaranteed, part at 5 per cent, and part at 4 per cent. For the life of me, I cannot see that a company that owns assets like that is bankrupt. If they are, and if the debenture stock is worth that money, I say that what the Government should do is to present a Bill to the Grand Trunk railway for the amount of money which the Government claim they owe to Canada, and should demand payment; and if they do not pay their obligations, then it is not for me to suggest what should be done to them, but it is for the Government which is at present controlling the affairs of this country. This is not a time when Canada can afford to be over-generous. This is the time and there will always be a time—when Canada can afford to be just. If we are just with the shareholders of the Grand Trunk railway, and give them the same justice which they would mete out to us if we were in their place, then no fault can be found with Canada.

The heavy obligations with which we are overloaded have already been pointed out to us to-night. Up to the time that the Grand Trunk Pacific Bill was introduced in the Lower Chamber, we were led to believe that our finances were in such shape that we could not undertake any new work of development for some time; we could not even proceed with some of the ones which we had undertaken: but all at once, at the drop of the hat, we became rich, richer than ever we were, so rich that we need hardly consider the kind of bargain that we were going to get so long as we could acquire this road by arbitration. I never yet knew a business man to purchase anything by arbitration, but I have known many of them to arbitrate rather than go into the courts. I never knew of any person arbitrating when he was going to make a purchase, and in my experience I have always found that when I was back of the other fellow's note, I was made to take care of it when it became due if he did not.

Now, unlike some of the members of this House, as well as members in the Lower Chamber, I am not prepared to say that I am not opposed to this because it is public

ownership. That is an additional reason why I am opposed to it. I am opposed to public operation, simply because in looking around I find that Canada has not made good in public operation; I know the United States had not made good in the public operation of railways. and the only thing that we have got to guide us in things of this nature is our own experience and the experience of others. I do not believe that there are many men in this Chamber who travel about on the different roads of the country who do not know that government operation has not attained the success which is being achieved by private corporations. I am speaking particularly of railways.

Hon. Mr. CROSBY: And the private corporations are bankrupt.

Hon. Mr. GORDON: Except one.

Hon. Mr. CROSBY: In the United States.

Hon. Mr. GORDON: Whether that is he case or not, I feel that the Government of Canada is not in a position to successfully operate railroads. I know by my own observation of government operation of departments right under the noses that they cannot carry on business as successfully as private individuals or corporations can do. For years in this country, under every Government, what do we find? We find that the business of the country in the different departments is not being carried on in anything like the way in which private corporations would carry it on; and when you come to railways, the difference is much more in favour of the private corporation. We should be only too glad to work this scheme out in a different way from that which is proposed. All I ask of the Government at the present time is that they delay this matter long enough to give us more light upon the subject. Let us be in a position to throw a searchlight on the whole transaction and to find out as nearly as possible the amount which this transaction is going to involve, and then whether the country is able to finance it.

Hon. Mr. DANDURAND: As the Chamber seems to be somewhat tired after the three sittings we have had to-day, I would move the adjournment of the debate.

Som Hon. SENATORS: Go on.

Hon. Sir JAMES LOUGHEED: We are anxious to hear you.

Hon. Mr. McSWEENEY: We are tired.

Hon. RAOUL DANDURAND: It seems to me that we could well afford to take a rest until to-morrow morning at eleven; but if the members of the Chamber are as anxious to go on as they seem to be, I shall proceed.

We have been asked by the leader of the Government in the other Chamber to give the most minute attention to the problem which has been laid before us. We have been asked to bring our best judgment to bear upon this question. I intend to do so, recognizing that I am labouring under the disability which has been complained of by other members, of not having all the information at my disposal which I should have. I wish to say—perhaps it is needless to make this affirmation—that I do so with complete disinterestedness.

Honourable gentlemen in this Chamber, or some of them, may be aware of the fact that I have sat on the Board of the Grand Trunk Pacific. I sat on that board from 1910 until lately. I did so because of the interest that I took in the Transcontinental aspect of this railway venture. I was in this Chamber in 1903 when the proposition for the incorporation of the Grand Trunk Pacific was submitted. I received the petition from the Grand Trunk Railway Company to be introduced into this Chamber. This petition asked that they be allowed to build a railway from Scotia Junction or North Bay westward to Fort William, Winnipeg, and Edmonton. Before bringing that petition before this Chamber, I looked at the map, and I realized that, if the Grand Trunk Pacific, which was to be tied to the Grand Trunk Railway system at North Bay or Scotia Junction, instead of coming southward towards North Bay, went along in a straight line to Quebec, to an ocean port, the distance from a point which is now Cochrane to Quebec could not be much greater than the distance from Cochrane to Toronto. It seemed to me that, since we were about to build a second transcontinental railway, and since it would go by a straight line to that point which was then unknown, which is now called Cochrane, it would be in the interest of Canada that that road should not terminate at Scotia Junction or North Bay, but should go straight ahead to the ocean port of Quebec, where it would join the Intercolonial railway. I felt that if instead of that railway bringing freight from the West to North Bay and Toronto, and from Toronto to Montreal and then to Portland, the freight came in a straight line to Cochrane and from Cochrane went straight to Quebec, thus reaching an ocean port, the development of

our country would be widened at many points and we would be securing a transcontinental line which terminated not at Portland in the state of Maine, but on Canadian soil, at Quebec. I threfore went to the Prime Minister and showed him the map. No proposition had at that time been made by the Grand Trunk to the Government, and the Grand Trunk had made no request for assistance for the building of that western road. The Grand Trunk, I learned at that time, had no such ambitious idea as that of building the Transcontinental to Quebec. Their main idea was to build a line from their old Ontario system in order to reach the plains of the West, and Winnipeg and Edmonton. I am not even sure that the Grand Trunk at that time intended immediately to build lines from Fort William to North Bay. Their first object was to reach Fort William and to join up their Ontario system at that point with inter-lake navigation. They intended as soon as they could to come down to North Bay. Instead of starting to develop their western connections, as they had intended to do, they decided, after negotiations with the Federal Government, to build from Winnipeg to Edmonton and to allow the Federal Government to build from Winnipeg to Moncton, leasing that part of the line which is called the Transcontinental from the Government.

I confess, honourable gentlemen, that I never thought that to my suggestion of having this new Transcontinental line reach Quebec, the Maritime Provinces would insist upon adding a second line from Quebec to Moncton. My responsibility ends at the suggestion which I made, without knowing how it would develop or how long it would take to develop it. When I saw the map, I felt that the line which was to come down to North Bay should at a certain time be extended to Quebec. As I state, my contact with Mr. Hays, the President of the Grand Trunk railway, was somewhat intimate; and, after Sir Charles Rivers Wilson retired from the board in London, I was asked to join the Board of the Grand Trunk Pacific. I did so in 1910, because of my interest in the Transcontinental, which was to cross the whole of my province and reach the city of Quebec. It took but 24 months or thereabout for me to find out that the Grand Trunk would not take over the Transcontinental in the condition in to which it was being put by the new administration. The grades were to be totally different and the whole Transcontinental was being completed in such a way as to deserve the condemnation and the official protests of the Grand Trunk Railway Company and the Grand Trunk Pacific itself. My interest in the Grand Trunk Pacific was, of course, that of any citizen of Canada. Personally I had not a cent in it, because, as you are aware, under the contract which binds the Grand Trunk Pacific Company and the Grand Trunk Company the shares of the stock of the Grand Trunk Pacific cannot be distributed, but are all in the Treasury of the Grand Trunk Railway Company.

We have been told ad nauseam by the Minister of Railways and the Minister of the Interior, who in the other House submitted and defended the proposition which is now before us, that the Government was buying the Grand Trunk railway through sheer necessity. They claimed that there were but three alternatives: (1) to relieve the Grand Trunk Railway Company of its Grand Trunk Pacific obligations, amounting to $97,000,000; (2) to force it into liquidation; or (3) to take it over. The Government said it was unthinkable to relieve the Grand Trunk Railway of its Grand Trunk Pacific obligations, and throughout the whole debate we heard the declaration that it was unthinkable thus to abandon the claim of $97,000,000 which the Government have against the Grand Trunk Pacific railway. They would not think of the second proposition, that of forcing the Grand Trunk railway into a receivership. The reason given, which seemed to be a somewhat innocent one, has been exploded in this Chamber to-day, namely, that if a receiver were appointed that would mean the liquidation of the Grand Trunk and its purchase by the Canadian Pacific railway. They added that a receivership would be unjust to British interests. For those reasons they felt that there was no alternative but to purchase the Grand Trunk. The reasons for that purchase have been stated very clearly, and I hope that my reading and my memory do not mislead me. The reasons given in the other Chamber and in this have been: (1) that by purchasing the Grand Trunk the Government will save themselves from carrying the load of $97,000,000 which the Grand Trunk Railway Company owes the Grand Trunk Pacific; (2) that they will obtain in the Grand Trunk system terminals which they would otherwise have to build for themselves at a cost of at least $100,000,000; and (3) that they will obtain in the Grand Trunk Railway Company's system in the East feeders which will obtain

return freight for the West. I think I am giving the reasons as submitted to the House of Commons by the Minister of Railways and the Minister of the Interior. Well, honourable gentlemen, my view is that, under the Bill which is now before us, the Government does not save itself from the assumption of the liabilities of the Grand Trunk towards the Grand Trunk Pacific. Unthinkable, says the Government, is the idea of relieving the Grand Trunk from its obligations; yet I claim—and I think I shall demonstrate it—that in effect they do this and more that they are increasing their load instead of reducing it. I would add that the other purpose which they have in view, that of obtaining terminals and facilities in the East and all the advantages of an eastern system, they can attain without assuming any liability. Will the Government by this arrangement and this arbitration recover its claims against the Grand Trunk Railway Company or free itself from the liability of the Grand Trunk, amounting to $97,000,000? There is only one way, honourable gentlemen, for the Government to relieve itself of that obligation of $97,000,000 which the Government has endorsed after the Grand Trunk railway: it is by having the arbitrators deduct that amount from the total assets or valuation which will be placed upon the Grand Trunk railway or upon its shares. Have the arbitrators a free hand to deduct that $97,000,000? I say no. We first assume all the liabilities, consolidated and floating, known and unknown, direct and indirect, of the Grand Trunk Railway system; then we guarantee the dividend on first priority stock, called the guaranteed stock, amounting to more than $60,000,000, which has paid no dividends in the last two years. If it earns its dividend and no more, we do not collect our claim. That is self-evident. If it does not earn its dividend, we increase our load instead of decreasing it. I think this also is self-evident. We arbitrate only the preferred stock—the three preferred stocks and the common stock. The common stock has never paid a cent of dividend. The first and second preferred stock paid dividends once in the last five years, and the third preferred has paid nothing in the last five years. Again, on that preferred stock, I contend that we shall have to pay dividends whether we earn them or not, because we set a value upon it by the offer we made to the Grand Trunk Railway Company. By a letter signed, I think, by Mr. Meighen when he was in England, we offered, for the guaranteed stock, the three preferred and the common stock, $3,600,000.

Hon. Mr. McLENNAN: A year.

Hon. Mr. DANDURAND: We offered $3,600,000 a year. Now we are giving a dividend on guaranteed stock, of four per cent, which is $2,500,000. I contend, honourable gentleman, that the arbitrators will not give one cent less than the amount that we offered, and we shall be condemned to pay that difference between $2,500,000 and $3,600,000, that is, to say at least, $1,100,000, upon the preferred and common. Can any one believe that we are thereby relieving the country from the Grand Trunk liability, which is $97,000,000, towards the Grand Trunk Pacific? The country will be paying dividends, whether we earn them or not, upon that preferred stock, to the extent of at least $1,100,000; and if we fix no limit, why should we not pay dividends also to a certain extent upon the common stock, which amounts to $115,000,000? The Canadian Northern secured through arbitration $10,000,000 upon its valueless common stock, for which not one cent has found its way to the Canadian Northern Treasury—not one cent.

Hon. Mr. McMEANS: Is the honourable gentleman aware that there was in the Canadian Northern treasury $30,000,000 in cash which was not taken into consideration at the time of the Drayton-Acworth report?

Hon. Mr. DANDURAND: Yes, I am aware that there was $30,000,000 in cash, but it was under trust deed as a result of borrowing for the building of special lines. It was there, it is true, but the company was bankrupt and at the mercy of the Federal Government. And I would ask the honourable gentleman to-day if, in view of the statements which the Canadian Northern is producing and which are laid before us, regarding its yearly operations, in view of the amounts of money which are being asked in order that the yearly deficit be covered—if he really thinks there was any value in that common stock. As it is unable to pay its operating expenses, was there really any value in that common stock? Yet we paid under arbitration $10,000,000 for it. Now the Grand Trunk Railway Company has $115,000,000 of common stock. Like the common stock of the Canadian Northern, it has never paid a cent of dividend, but $30,000,000 were paid by the holders of that stock, years and years ago, and it has gone into the treasury of the Grand Trunk Railway Company for the building of this road and to provide facilities for the

people of Canada; and if there is no limitation binding the arbitrators to a maximum figure, we may be mulcted for a certain amount of dividends on that common stock. And, as the honourable gentleman from Middleton (Hon. Mr. Ross) has stated, prospective value may be taken into consideration when the arbitrators are preparing their award. In fact, it was prospective value which permitted the arbitrators in the case of the Canadian Northern to decide upon $10,000,000. Surely it was not the actual earning capacity of the Canadian Northern, for we know what its situation was last year and what is its situation to-day and what the situation will be next year. The valuation was not based on the earning capacity? On what was it based? Its prospective value; the hopes of the country for its development; the buoyancy of a young, progressive country.

Cannot the same arguments be advanced regarding the Grand Trunk Railway Company? I say that if prospective value is one of the considerations in valuing this stock, and if no maximum figure is stated, we must not be surprised if something is given to the holders of the common stock. I would draw honourable gentlemen's attention to another feature. They will have noticed that not only the Grand Trunk Company, but also the Grand Trunk Pacific Company, will be valued, and it will be the contention of the Grand Trunk Railway Company before the arbitrators that the Government has full value for its money, that the Grand Trunk Pacific has cost all the money which is shown there in the books of the company, and that it could not be reproduced at this moment for the same amount; and that is true. And the Grand Trunk Railway Company will make the argument that they do not owe the $97,000,000 since the Government has the railway. Of course, it will be said: "But look at the operation; look at the deficit." The same thing could have been said of the Canadian Northern. But the Grand Trunk railway will show the possibilities of the West, and honourable gentlemen only need to read the letter of the President of the Grand Trunk, Sir Alfred Smithers, who gives all the arguments that will militate in their favour when they come before the arbitrators.

Now, honourable gentlemen, if this arbitration were to be held between private parties, I ask you if it would not be extremely difficult to value those railways and those stocks, more especially if prospective value is to enter into consideration? How can the arbitrators set a limit to our possibilities? I will draw the attention of this Chamber, in order that you may understand the situation which confronted the arbitrators when they examined the value of the Canadian Northern, to the fact that the Canadian Northern stock had not brought a cent to the Canadian Northern; but it was handed to Mackenzie and Mann for the services which they had rendered while they were building the road. Mackenzie and Mann, when the Government loaned them the last $40,000,000, bound themselves in writing—and the document has been read here in this Chamber, and is in the statute—bound themselves not to claim one cent, if there were default, for the services they had rendered; so the arbitrators had in hand stock of the Canadian Northern that had not brought a cent to the Canadian Northern, that had been given for services that Mackenzie and Mann had bound themselves not to claim anything for; and yet $10,000,000 were granted. If this arbitration had taken place between two private parties, I ask you, would $10,000,000 have been granted? Nothing would have been given to Mackenzie and Mann, because nothing was due in law or in equity, and no arbitrator would have felt before his conscience that he could rob Peter to pay Paul. But this was a case between private interests and public interests; and so it is in this case.

I venture the opinion that we shall be most lucky if we escape paying dividends on the common stock. We have a claim of $97,000,000 against the Grand Trunk Railway Company. The Grand Trunk obligated itself to pay for the Grand Trunk Pacific. The common stock amounts to $115,000,000. I am quite clear in my mind that we shall be made to pay upon the preferred stock of $63,000,000 a dividend of 4 per cent, amounting to another $2,500,000. We have already bound ourselves to pay $2,500,000 on the guaranteed stock; and these two make $5,000,000 which will be slightly less than the minimum amount asked by the Grand Trunk in its letter to the Government, where they claimed £1,163,000. My conviction is that we shall be very lucky if we escape paying dividends on the common stock, through the fact that we have $97,000,000 to offset against $115,000,000 of common stock.

Now, I ask, will that award improve our position? "Unthinkable," says the Minister of the Interior, as to the idea of relieving the Grand Trunk of its Grand Trunk Pacific liabilities. Not only are we doing that, but

we are relieving it of all its liabilities, and assuring its stockholders of their dividends in perpetuity. We are capitalizing the hopes and dreams of those stockholders, and are binding the country to pay interest when we can least afford it. Previously the Grand Trunk railway shereholders had to earn that dividend. This will no longer be necessary. They were partners in the company, with all the risks that title implies, now they become state creditors; and yet, honourable gentlemen, this is but the smallest, the most insignificant part of the obligations which the Government assumes. These are but marginal liabilities, as Sir Thomas White called them. Our fear, based upon experience, is that under government control and management the income will shrink and the expenditure increase. By the Drayton-Acworth report we have been told that on capital account alone $51,000,000 are needed forthwith. We assume all the risk, the increased cost of operation, the increase in wages and material, in financing on capital account and in meeting deficits when they occur; and we do that, honourable gentlemen, to my mind absolutely uselessly. It is clear in my mind that we are not freeing the Grand Trunk Railway Company from any obligation towards the Grand Trunk Pacific Railway Company. We are freeing the Grand Trunk shareholders from all troubles for the future, but we are burdening the Exchequer of the Dominion of Canada with untold amounts.

But it is said: "We see no other alternative." One of the ministers in the other Chamber said, "Show us any other alternative, and if it appeals to our judgment we will consider it." Well, I have given a little consideration to this matter. The Government says we need terminals in the East, and that it will cost us $100,000,000 if we do not get the Grand Trunk and its terminals. We need the Grand Trunk system in the East to balance up our large system in the West; we need it in order to obtain return freight in the East for our trains which will come burdened with freight from the West. Now, I put to myself this question, and I put it to you, honourable gentlemen: Cannot we get all that without purchasing the Grand Trunk Railway Company? In a certain sense, do we not hold the whip-hand? Are we not the creditors of the Grand Trunk Railway Company? Is not the Grand Trunk Railway Company to-day suing for—

Hon. Mr. CASGRAIN: Mercy.

Hon. Mr. DANDURAND: I will not say mercy, but for—

Hon. Mr. CASGRAIN: Charity.

Hon. Mr. CROSBY: Delay.

Hon. Mr. DANDURAND: At all events, for assistance. I claim, honourable gentlemen, that the Government, in the position which it occupies, can obtain from that company the use of its terminals and satisfactory traffic arrangements for interchange of freight. The Minister of the Interior dismisses the idea, and says it is not feasible. In the same breath he admits that he is not a railway man; and, admitting that he is not a railway man, he relies upon the Drayton-Acworth report. Well, honourable gentlemen, in the investigation which took place before the Drayton-Acworth Commission there were but two railway men, Mr. Acworth and Mr. Smith. Sir Henry Drayton was not a railway man. He was a barrister, a legal gentleman. He was the chairman of the Railway Commission of Canada, and as the head of that commission he stood as the legal element of that commission. There were but two practical railway men concerned in making that report, Mr. Acworth and Mr. Smith, and Mr. Acworth is the only person who suggests the purchasing of the Grand Trunk. Mr. Smith dissents from him, and suggests rather a working arrangement between the Grand Trunk system and the Canadian Northern system. If you will but read that report you will find that we have there two railway men in contradiction, and one, who is a man of no mean stature in the railway world of the United States, Mr. Smith, who knows our conditions better than Mr. Acworth, suggests a working arrangement between the Grand Trunk system and the Canadian Northern.

My honourable friend the leader of the Liberal party in this Chamber—whom I do not call the leader of the Opposition, because I cannot admit that there is an official Opposition in the Senate—has cited a letter of Mr. Kelley, which I will read again, because it establishes that not only does Mr. Smith, the arbitrator, but also the Grand Trunk itself, think that it can enter into a traffic arrangement with the Canadian National railways to the mutual advantage of both parties. Mr. Kelley says in a despatch to the vice-president of the railway, Mr. Scott:

Take following message personally to Sir Thomas White:—

"On my arrival in London I informed the Chairman and Board that in an interview with you just before I left I drew the conclusion that you would be willing to consider proposal looking to the Grand Trunk working with the Canadian Government railways in place of the Government proposal to purchase. I have accordingly suggested to the Board that the Government should take over Grand Trunk Pacific railway and the Branch Lines Company, repaying to the Grand Trunk all indebtedness, and that Grand Trunk should enter into a traffic agreement with the Government by which Grand Trunk should become the eastern connection of the Canadian Government railways and the Canadian Government railways should become the western connection of the Grand Trunk, interchanging at North Bay; Grand Trunk to operate at cost all the eastern lines of the Canadian Northern railway; Grand Trunk to undertake to spend upon improvements and additions to its terminals and other facilities such portion of the money owing by the Grand Trunk Pacific Railway and Branch Lines Company, which would be repaid by the Government and which might be necessary for the efficient handling of the combined through business. This plan would enable the company to continue operation of its American lines and secure all of the advantages therefrom both to the company and to Canada by reason of the control and movement of international competitive traffic over its lines and through Canada."

Howard G. Kelley.

Sir Thomas White answered:

Replying your message received through Scott, your conclusion respecting our interview entirely unwarranted. Stop. Proposal made in your cable cannot be entertained.

In not jumping at the offer as it was made. Sir Thomas White was quite right. But I say that there was in that offer a basis of negotiation which could have terminated in a working arrangement which would have been to the advantage of this country, which would have given the western system of our Canadian National railways feeders in the East, without the assumption of one dollar of responsibility for the administration of that vast system. I ask you, honourable gentlemen, why should not that experiment be tried? It is not yet too late. We would gain under that arrangement valuable experience, and we would still be free to take another step, this other step which is proposed in this Bill, if we ever decided that it was proper to take it. I ask you, honourable gentlemen, you who with me will remain here—unless the farmers, one day, abolish us, as that is in their programme—to the end of our lives, I ask you to pause before taking that fatal step and ask yourselves if we should thus prejudge the future. You are all aware, honourable gentlemen, that if we go forward this week, and pass this Bill, and purchase the Grand Trunk railway and bind ourselves to these liabilities, present and future, and to the payment of dividends, we cannot retrace that step; whereas, if you ask the Government to try the other experiment of a traffic arrangement, you remain free to act otherwise later on. If you buy the Grand Trunk to-day you cannot, I repeat, retrace that step.

Now, if we do fail in government ownership and government administration, what does the honourable leader of the Government propose, and what does the honourable Minister of Labour propose? They say: "If we do fail, we shall have rounded out our system in the East by taking over the Grand Trunk. While we may meet with failure and all that it implies, we shall be able to turn to the United States financiers." My honourable friends, of course, turn to the nearest neighbour for help. They turn to the United States or to financiers abroad, and they say: "We shall present them with a splendid proposition—although it will have the stamp of failure upon it—we shall offer them this system, which will have cost us so many hundreds of millions on capital account and on operation, and we will invite bids from the world." The honourable gentleman first proposes to destroy this corporation, this vast organization, a British concern which has moral and material support on the other side, in order to try his government experiment. If he fails, he will then look about for a new syndicate to take hold of the mess the Government will have put this country into. I say "mess," because my honourable friend speaks of the possibility of failure. Is this a reasonable position for Canada to take? Here we have a complete organization, which was a pioneer organization in Canada, and which did fairly well until the war. We throw that to the wind; we disinterest the members of that organization who are on the other side, and who have taken risks and are ready to continue and carry on. Remember, honourable gentlemen, that this corporation is now a going concern, and if we are led by our experiment into financial difficulty, we shall have to look to newcomers who may bring in their credit and some cash, but who will have no experience; whereas we have that whole organization to-day. I say, honourable gentlemen, we should pause before deciding to take that fatal step. You will be here for a number of years; the members of the House of Commons will disappear. You may be held responsible for an act which may be deemed rash to-morrow if we fail.

Hon. Mr. CROSBY: Your Act of 1903 or this one?

Hon. Mr. DANDURAND: Well, every one will stand on his own responsibility—

Hon. Mr. CROSBY: Hear, hear.

Hon. Mr. DANDURAND: —and perhaps those who had faith in the country in 1903 may have reason to feel that the years to come may justify their action. I am not so sure but that, if a working arrangement were made with the Grand Trunk Company, that company itself would be soon disposed and eager to revert to its proposal of 1903 and to take over the Grand Trunk Pacific and the Transcontinental. I would ask my honourable friend the leader of the Government (Hon. Sir James Lougheed) if he thinks that the Government can administer the Grand Trunk system more economically and more effectually than the present Grand Trunk management? I stated that that railroad was doing fairly well up to the commencement of the war. Outside of the Grand Trunk Pacific construction, which cost far more than the Grand Trunk Company thought it would, its troubles have been mainly due to dilatoriness on the part of the Railway Board and the Government through fear of the electors in raising the rates so that the Grand Trunk Company could meet its increased charges in wages and in material. For over eighteen months the Grand Trunk Railway Company appealed to the Railway Board and to the Government for help in raising the rates. McAdoo, on the other side, had at one fell blow increased the wages of the railway employees after he took possession of the railway, to the tune of $800,000,000; but at the same time McAdoo increased the rates. The Grand Trunk Railway Company and the Canadian Pacific railway also felt the load during the time they waited for a fair adjustment of their freight and passenger rates, but the Railway Commission was being asked to go slow, and all this time the Grand Trunk was accumulating deficits. It could not make both ends meet because of the increase in wages to the level of the McAdoo rates, which were applied here indiscriminately and in what I would term a most farcical, if it were not a tragical, way. Employees who were beginners and were receiving $30 or $40 a month, and perfectly happy to learn something in their first year of employment, were in twenty-four hours brought up to the rate of $80 per month; and on the whole system ridiculous increases of that kind were forced upon the railways. The Canadian Pacific railway could stand it; it had its reserves. The Grand Trunk could not stand it, and the Government of Canada was too weak, too fearful of the effect upon the electors, to grant relief. When the Railway Commission brought in its report, giving its decision in favour of an increase, the findings were appealed to the Cabinet Council, and there they hung for months and months until it was decided that the Canadian Pacific railway should not benefit fully by the increase in rates which was being granted.

I said that the Grand Trunk was in trouble because of the Government's fear of the electorate. Now, the rates under government ownership will, in a sense, be controlled by the Government. It is true that there will be a company formed by the Government; but I wonder how the Government will feel, in what state of mind it will be—the Government of to-day as well as the Government of to-morrow—when a large increase in rates is asked in order to meet deficits in operating expenses. The electors may say that they prefer low rates and high taxation, the taxation to be paid by the neighbours, of course. We have seen that before, and we shall see it again. I ask you, honourable gentlemen, if we live a few years more and enjoy the advantage of meeting here in this Chamber, shall we not come to that state of mind wherein we shall be most happy when we hear that the National railways of Canada are meeting their operating expenses, forgetting that there is capital invested and there is interest to pay upon that capital—forgetting it just as we are forgetting the amount of money which the construction of the Intercolonial railway cost. Nobody ever thinks of having the Intercolonial railway earn sufficient to meet the interest on capital account—oh, no. Happy shall we be when the operating expenses are met and there is a small surplus from the income which the railway produces. After experiencing large deficits from year to year, we may yet welcome the day when we shall have wiped out the deficit, and we shall think no more of the immense capital which the country has had to contribute and on which it has had to pay yearly interest by taxation.

Honourable gentlemen, the danger which I foresee I would face with less misgiving if our financial situation were that of 1913, when our net debt was less than $350,000,000; but to-day, as the honourable gentleman from Toronto (Hon. Mr. Nicholls) has stated, our net debt is around $2,000,000,000. I say "net," because our gross

debt is more than $2,500,000,000. We are borrowing just now to the tune of $500,000,000, as estimated by the Minister of Finance; but it must not be forgotten that this $500,000,000 will not increase our present debt to that extent, because we owe to the banks about $300,000,000 which we shall pay out of that $500,000,000. But there will be an addition of $200,000,000 to the debt. Both Mr. Boville and Sir Thomas White stated that another loan would be needed, and I may say that, according to the calculations which Mr. Boville makes, it will be $500,000,000 that we shall have to borrow next year. So there is an additional $700,000,000 to add to the two billions, upon which we shall have to pay the yearly interest.

Sir Thomas White, before the House of Commons Committee on Soldiers' Civil Re-establishment, said that we had reached the extreme limit of our financial capacity. Remember his words, honourable gentlemen: "the extreme limit of our financial capacity." Can we with a light heart assume this present huge liability? I put to you that question, honourable gentlemen. The interest on our debt in 1913 was $13,000,000; it is now, according to Sir Thomas White, $155,000,000, if you add the $40,000,000 in pensions. And this is the debt exclusive of our commitments for the present year, and of our railway deficit.

I must apologize for the length of my speech.

Hon. Sir JAMES LOUGHEED: Go ahead.

Hon. Mr. CROSBY: It is very interesting.

Hon. Mr. DANDURAND: Honourable gentlemen have received the "Addendum to Votes and Proceedings No. 43," which has been distributed to this Chamber, and which contains the fourth and final report of the special committee of the House of Commons on Bill 10, an Act to amend the Department of Soldiers' Civil Re-establishment Act. In that report I find the statement of Sir Thomas White. Honourable gentlemen, we shall have to find, over and above the amount which this country produced in taxation in 1913, $200,000,000 a year. Where shall we get that money? The question is put to Sir Thomas White, as you will see at page 88:

Q. What have been our main sources of revenue, Sir Thomas?—A. The main sources of revenue have been the customs, inland revenue, post office, and, since the war, the income tax and the business profits' tax.

Q. Broadly speaking, how does our income tax compare with the income tax in the United States?—A. My instructions were—and I think they were carried out— to put it exactly on the same basis. The American income tax was higher a year ago, then I think it was reduced. I was informed by experts of my department that our tax is on all fours with the tax of the United States. Personally, I have held the view that it would be a mistake to make it materially higher.

Q. Why?—A. For two reasons. In the first place if it was materially higher I think it would have some influence on people coming into this country, especially business people to establish industries, and further I think if it was materially higher we should lose some people to the United States. Then another thing is this—this is not generally known with regard to the income tax—we are in quite a different condition to England with regard to the income tax. We have in our Federal system provinces and municipalities, some of which raise part of their revenue by income tax, for example in British Columbia there is a very heavy provincial tax, there is the municipal tax and the Federal tax. There are three sets of taxes imposed upon income taxpayers in British Columbia. In Nova Scotia the Provincial Government brought in an income tax for this year, there will be added on a Federal tax, and therefore they have two sets of taxes there. In the province of Ontario a man pays income tax to the city. My own view is that all the provinces and many of the municipalities will be obliged to resort in a greater degree to the income tax, because their requirements are going to be heavier. I had many requisitions made to me from time to time by Provincial Government for increased subsidies and sometimes the question was raised as to why we should invade the field of income taxation. But it was necessary, and our income tax to-day, answering your question, Mr. Chairman, is I think upon all fours almost precisely with the American income tax.

And he states that it would be in his opinion imprudent to increase that income tax. Now, as to the business profits tax, at page 90 the following question is put to him:

Q. Would there be any objection, in your judgment, to increasing the Business Profits Tax so as to raise the moneys required?—A. The Business Profits Tax could not be raised, and personally I have grave doubt whether it can be continued over any considerable time without grave damage to the trade of the country.

Q. For what reason?—A. Because the limiting of business to a certain percentage in the first place discourages enterprise from coming into Canada, and in the second place tends to prevent merchants and manufacturers from creating reserves with which to extend their business, especially extensions. It came to my attention many times during the war that concerns would establish in Canada but for our Business Profits Tax; they are afraid of it; and this being a country that invites immigration and business enterprise I always thought that we should have regard to that fact and to our future in the imposition of our taxation.

My own view is that with the declining profits—and they are bound to decline; they are declining—the income tax will prove in the case of most companies, to be larger than the Business Profits Tax; in other words, it will so to speak, automatically go out. It has yielded a very large amount of money. The last time

I inquired I think it was $75,000,000 or $80,000,000. When I imposed it I estimated that it would realize $30,000,000 in three years; it raised about three times that amount, I think.

So you have the opinion of Sir Thomas White as to the possibility of financing that amount by increasing the income tax, which he says is inadvisable, or the business profits tax, which he says should be reduced rather than increased.

At page 95 he is asked the following question:

Q. It has been suggested that in order to raise the revenues to carry our national debt and other expenditures including money expenditures that may be incurred along the line you have been discussing that a general land tax on all property in Canada might be advisable. What is your view as to that?—A. Well, that is a question of course of policy for the Government, and many considerations are involved. We have a very large country from the Atlantic to the Pacific. The cost of organization and administration would necessarily be very heavy, unless you had an assessment by the Dominion of all the land, there would have to be an adjustment of assessment as between provinces, and even as between parts of provinces. That is if you adopted the municipal assessment there would have to be an adjustment, so far as the assessment is concerned. The Government would have to levy upon that so many mills upon the dollar. I thought about a tax of that kind. I am speaking from memory, but I think four mills would have given about $20,000,000 only.

Q. Some person quoted figures as coming from Mr. Crerar that a ten mill rate would raise $80,000,000?—A. Well the Government would have to consider the expediency of such a tax. In the first place you have already a municipal tax on land. I do not know whether there are any provincial taxes direct upon the land, but it has always been represented to me by provincial authorities with whom I have discussed the matter that a tax upon land should be essentially a municipal or provincial tax.

Then further on:

Q. I understood him to suggest a ten mill rate on the unearned increment?—A. Oh no.

Mr. Morphy: He put it as a tax on unimproved land values.

The Witness: No, he would get no such thing. One feature of any tax, and I think especially of land tax, is that we are only going to be able to meet our national obligations by increasing the production of Canada, among other means by increasing immigration. I do not think any scheme of taxation in Canada should be seriously considered unless we have regard to the probable effect on immigration, and it is for the Government to consider what taxation they shall adopt with regard to land. We must get into this country men who will go on the land and increase our production, we must get as many of our own people who are not on the land now as we can to go on the land and we must induce immigration to come in here and continue the policy of taking up land, if we do not then we may have a rather serious condition in Canada in a few years from now.

Then, at page 87 he says:

I believe that, notwithstanding the heavy burdens which we have incurred, with the policy of retrenchment—which I am sure will be enforced on this country as upon other countries, and it will be a political issue in the next year or two—that this country can carry on, but it can only carry on if careful regard is had to its financial position. Just look at it from several standpoints. The national debt of this country before the war was something over $300,000,000—I think $335,000,000. I estimated in the Budget speech of this year—and I do not think there is any room for doubt about the matter—that by the end of this year our net national debt will reach nearly $2,000,000,000, which is six times as much as it was before the war. Then you have the question of our revenue meeting our expenditure. I would like to say that the limit of taxation is reached, but it is going to be quite a problem to adjust our revenue to meet our ordinary expenditures. I look forward to deficits for some years. I can hardly see how you are going to avoid them. Now just by comparison try and realize what is the difference in our situation. The interest on our national debt, which is a fixed charge upon the revenue of the country, I think was under $13,000,000 in 1914. I estimated in the Budget speech for this year it would reach $115,000,000.

Q. The figure of $102,000,000 was given out last night?—A. My Budget estimate was $115,000,000 because there is some additional interest for this year to come in. But supposing it is $110,000,000.

Then you have pensions added on which we did not have to pay in 1914. I do not know how much it will be this year, but the estimate was that it would run up gradually to $40,000,000.

Then, there is the Soldiers' Civil Re-establishment—

Hon. Sir JAMES LOUGHEED: Yet the ex-Minister of Finance voted for the Bill.

Hon. Mr. DANDURAND: Yes, the ex-Minister of Finance voted for the Bill, and he voted for the Bill because he saw only marginal liabilities. He said it is true that we assume $500,000,000 of liabilities, but there are $500,000,000 of assets, and there are the working expenses on the liabilities side, but returns as well, and the deficits represent nothing but marginal liabilities.

Now, you have here the statement of Sir Thomas White that we are running close to the wind, that we will have to meet deficits year after year. I ask you, honourable gentlemen, if you think it is prudent to assume those marginal liabilities, which may increase through the fact that the railroad will be administered by people who will not be under the eye of the man who must produce dividends for the shareholders, but will be operated by people who will feel that they are working for everybody and nobody—the state. I ask you if you think we should saddle the country with the serious risk of that system being admin-

istered by representatives of the Government? Because, say what you may, it will be Government administration through a board, if you will, but a board that can be made and unmade by the Government, and which will not be stimulated by the necessity of the yearly return of dividends to the shareholders. You will have to finance the yearly expenditure on capital account, which to-day is being financed in London, not by the Government, but by the Grand Trunk itself—a liability which is not upon us. We are making the shareholders of the Grand Trunk, who were associates and partners in the institution, creditors of the Dominion of Canada, while I am convinced that through the claim that we have against the Grand Trunk we can obtain all the advantages that would accrue through the ownership of that system by a traffic arrangement. I am convinced that the Government need not go very far from this building to find men of legal acumen—I see more than one in this Chamber—who will bind the Grand Trunk to an agreement which they will be obliged to respect, and which will make of them associates of the Canadian National railway system in the interchange of traffic.

My honourable friend the Minister of Labour (Hon. G. D. Robertson) has mentioned the multiple advantages of the Grand Trunk in the provinces of Ontario and Quebec. He has mentioned the fact that it has many an interchange of traffic with the United States, and that it touches all the towns and cities of Ontario and Quebec, as if he were telling us something that we did not know. But the Grand Trunk has had all those advantages. The Grand Trunk, if it has had that coal mine in the United States from which to draw its coal, of which I knew nothing, has operated to this day under those conditions. I have wondered what advantage there was to be found in the Grand Trunk gathering for export freight from Ontario and Quebec and bringing it to St. John or Portland. How could that increase the value of our Canadian National railways, which are mainly in the West? I thought the honourable gentleman would tell us that the contract with the Grand Trunk would give us return freight for the West; but no —he saw the potentialities of the Grand Trunk in gathering freight for export. The Grand Trunk system has already been enjoying that benefit. If the freight is deflected from the Grand Trunk route to Portland, for instance, to the Intercolonial railway, the Government will have a deficit on the Montreal-Portland road. It is as broad as it is long. I do not see the point of the argument of the Minister of Labour that freight was being gathered in Ontario and Quebec, freight which the Canadian National railways could not touch. The advantage that would accrue to the Canadian National by getting the Grand Trunk system would be by getting return freight to the West, exchanging at North Bay or elsewhere—and that exchange could be had through a traffic arrangement, and the terminals could be had through the same arrangement.

I have laid before my colleagues my views. I have indicated an alternative which I think is worth considering. I submit it to their criticism and to their best judgment.

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

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE.

Thursday, November 6, 1919.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

GRAND TRUNK RAILWAY ACQUISITION BILL.

INQUIRY AS TO LIST OF SHAREHOLDERS.

Hon. Mr. BEIQUE: I beg to call attention to the fact that there are a couple of questions which have not been answered and which do not appear on the Order Paper for to-day. One of these questions refers to the list of persons holding £1,000 or more of the four per cent guaranteed stock.

Hon. Sir JAMES LOUGHEED: I may say to my honourable friend that the same question was asked in the Commons, and it was pointed out that the information would have to be obtained from London, and to obtain that information would cost at least $6,000. His Majesty's Opposition, however, said that notwithstanding the cost they wanted the information. I would say now to my honourable friend that the information is being secured and will be cabled out notwithstanding the cost.

Hon. Mr. BEIQUE: May I be allowed to say this, that I appreciate that the information inquired for in the House of Com-

mons may be difficult to obtain, for it was a list of all the shareholders; but, with a view of facilitating the obtaining of the information, or that part which it may be important to obtain, I have limited my inquiry to the names of persons holding at least £1,000, and only of the guaranteed stock. There should not be a very large number of owners in that class.

Hon. Sir JAMES LOUGHEED: I am told that steps have been taken to obtain the information and have it cabled to Canada.

Hon. Mr. BEIQUE: But I draw attention to the fact that the questions not answered should be on the Order Paper.

Hon. Sir JAMES LOUGHEED: Yes.

REPRESENTATIONS FROM BOARDS OF TRADE.

On the Orders of the Day:

Hon. HEWITT BOSTOCK: I would like to read to the House two telegrams that I have received. The first one reads:

Winnipeg, Man., Nov. 3, 1919.

The Hon. Senator Bostock,
Ottawa, Ont.

We have to-day telegraphed to the Honourable Speaker of the Senate as follows:

That,

Whereas the taking over of the Grand Trunk Pacific railway is of vital importance to the people of Canada; and whereas the people of Canada have not been fully informed of the details of the transaction nor of the stupendous liability they would be assuming should the Grand Trunk Bill be passed; therefore be it resolved that in the opinion of the St. Boniface Board of Trade that action on the Grand Trunk Bill should be deferred by the Senate until the people of Canada have had an opportunity of becoming better acquainted with the details of the proposed transaction and a better opportunity of forming a judgment as to its benefits or otherwise.

St. Boniface Board of Trade.

The other telegram reads:

Winnipeg, Man., Nov. 5.

Hon. Senator Bostock,
The Senate,
Ottawa, Ont.

Maclean, of Winnipeg Board of Trade, has wired Speaker of Senate as follows:

Please take notice that Winnipeg Board of Trade, with a membership of over twenty-two hundred, at general meeting, November fourth, overwhelmingly defeated a resolution presented supporting Grand Trunk Bill on ground that public has not been informed and details as to liabilities and obligations are not available, and on further ground that only report available shows stock to be worthless. Strong feeling expressed that receivership is proper method of procedure.

J. E. Adamson.

I would ask the honourable the Speaker of the Senate if he has received those telegrams?

The Hon. the SPEAKER: I have received the telegram from the Board of Trade of Winnipeg, but not the first one read.

MOTION FOR SECOND READING—DEBATE CONTINUED.

The Senate resumed from yesterday the debate on the motion of Hon. Sir James Lougheed for the second reading of Bill 33, an Act respecting the acquisition by His Majesty of the Grand Trunk Railway system; and the proposed amendment thereto of Hon. W. B. Ross.

Hon. JOHN S. McLENNAN: Honourable gentlemen, before proceeding to the phases of the question to which I particularly wish to call the attention of the House, it seems to me it might be desirable to touch on some of the points which were dealt with in the long debate of yesterday. The first of these is that I was somewhat surprised, and I think possibly other members of the House were surprised to find that the leader of the Government said that the Government of the day had a mandate from the people of Canada to carry out this policy. Let us go back some distance in the history of Canadian railroad enterprise. The Government of Mr. Mackenzie was carrying out the building of a road across the continent to which we were bound by Confederation as a Government work.

Hon. Mr. BELCOURT: If honourable gentlemen would stop talking we could hear.

Hon. Mr. McLENNAN: This Government was overthrown and Sir John Macdonald came into power, and he proposed and succeeded in carrying on that work by a privately-owned company with results which we know. The question then slumbered, there being nothing to bring it up until 1904.

Sir Robert Borden then went to the people of the country on a cry of "Better a government-owned railway than a railway-owned Government." The result of that election gave no evidence that the people of Canada were in favour of government ownership. The question then went back to its slumbers and remained there until 1917.

In a crisis which I shall not further describe, because it has been adequately and clearly and well described by my honourable colleague from Brome (Hon. Mr. Foster), the people of Canada undertook under exceptional circumstances and in a great national crisis in order to avert

a great calamity, to buy the Canadian Northern railway and carried out the policy. I do not think, and I think the majority of the people here present and the people of the country will agree with me, that that is much evidence that the people of Canada were in favour of government ownership.

There was an election held in the autumn of that same year. That election was fought on world-wide issues, and there has rarely been an election in which national questions were of so little importance. I do not think that that election can be taken as having justified the purchase of the Canadian Northern, or as justifying the acts of the Borden Government as doing anything except declaring Canada's intention that it would take its share in supporting a cause which Canada and its allies believed to be of infinite importance to the well-being of the whole world.

The honourable the leader of the Government also said that the people of Canada had given a billion dollars in support of railway building, and the inference that I draw from what he said was that this course was in support of his position on the mandate; but the deduction which I draw from that fact is that the opposition of the people of Canada to government ownership and government operation is so great that they were willing to give that amount of money to private companies to supplement their earnings, if they were successful, to getting a scheme for the construction of a new railway started. It therefore seems to me that the giving of that great sum of money is an evidence of the feeling of the people of Canada that it is better that they should have railways owned and operated by private interests, even although they dispense so lavishly of the patrimony of the people of Canada and the income of the people of Canada drawn from taxes in order to have private ownership and private operation of the railways of this country.

More than that, I do not claim to have made an exhaustive search into the records of parliamentary government, both Imperial and Dominion, but I connot recall and those with whom I have consulted cannot recall an instance where a question of such great importance as this, either in the Mother Country or in Canada or in any other of the Dominions, has been taken up and passed without previously having been submitted to the electorate. Again, those in the country and those in Parliament who have been surprised and startled by the bringing before Parliament of this question at this time have the right to recall that in the spring of 1918 Sir Robert Borden, leading the Government, said, I think on the 15th of May, that steps would be taken for the acquisition of the Grand Trunk railway. The statement was not made with any great elaboration or any great emphasis; it was in the course of a long debate on the question. In another speech to which the honourable the leader of the Government referred, Sir Robert Borden phrased it otherwise by saying that they intended to make suitable arrangements with the Grand Trunk railway.

After that, this phase of the question again slumbered. We heard on good authority that all negotiations with the Grand Trunk railway were off. There were no rumours that anything was on, and we heard no more about it until four days after the Acting Prime Minister, the leader of the Government in another place, stated that this session was called for a specific purpose, and that it was not fitting that anything else should be taken up, and that in the course of a few days we would disperse, this session of Parliament being over. As I say, within four days of this time this legislation, far-reaching in its consequences, was brought down. Since, then, as I have followed the debate here and read the debates in another place, I have heard no adequate reason for the volte face of the Government, no reason for not laying before Parliament, before a decision was asked, and so before all the people of this country, the fullest information on this question, for not giving Parliament an opportunity of threshing out the whole matter, for not giving the committee a chance to call experts on what is a very complicated and elaborate question of railway policy.

There are other phases of this matter on which one may touch. There is an old proverb in ordinary social life, where a group of people have come together, which says: "Let us all tell the truth, but make up our minds beforehand what we are going to say." I do not think that has been altogether observed by the ministers; and yet it is a wise, if somewhat Machiavellian, method of procedure. One minister says that the Canadian Pacific railway will buy the Grand Trunk if we do not rush in with a blank cheque; another, in this House, says that the Canadian Pacific railway does not want the Grand Trunk, but that it does not want the Government railway to round out its system by getting it. These are not statements which go on all fours. The rosy mantle of government ownership has

been draped about this project by one minister; but another says, "Canada is taking the step so that it can sell out the new system," and apparently hopes that the ministry will emulate the success of those Canadian promoters who won international reputation and much wealth. This course was not suggested by others of his colleagues in another place, nor was it in harmony with the letter of Sir Robert Borden which was read here yesterday. Those views seem to be contradictory, and not complementary to each other. Is it unfair, when we hear this project advanced by arguments which are not homogeneous, to ask for delay before the final settlement is reached by Parliament? Ultimately, Parliament is charged to safeguard the interests of the people of Canada. They cannot delegate that duty to any ministry.

There are but few points upon which the closely-reasoned address of the honourable gentleman from Middleton (Hon. W. B. Ross) may be supplemented to advantage, but there is one point that I should like to touch, and that is the buying of the Grand Trunk railway by the Canadian Pacific railway. My honourable friend touched on the legal aspect of the question. It was advanced in another place that this might be done subterraneously and indirectly—that it might be carried out by people interested in the Canadian Pacific railway buying sufficient stock in the Grand Trunk railway in order to get control. Suppose any group of men took such a risk; suppose the directors of the Canadian Pacific railway, even if deeply interested in it, even if they had no guarantee from that road to secure them against a loss, a guarantee which would be illegal, took this step, what earthly difference would it make to the public served by the Grand Trunk? What advantage could the Canadian Pacific get from it? They could not change the running of a single train; they could not put on other trains, and they could not change the routing of a single train of freight of their own motion, without the permission of the Railway Commission. On that ground it seems to me that it would be absolutely useless, and that they could gain no advantage whatever from the course that has been suggested. Therefore I think, taking the legal argument that the honourable gentleman from Middleton has advanced, taking the practical argument of the utility of any such action on the part of the Canadian Pacific railway, that bugbear which has flourished and been made a goblin to be waved before another House, can be dismissed as being purely a bogey.

Now, coming to the practical side of the question, the House will recall that the Minister of Labour yesterday spoke with regret of the fact that the Government railway had to use the Grand Trunk station here. Do not the three railways use it with economy to each of them, and with great convenience to the travelling public? Is the service of the Canadian Pacific railway between Toronto and Hamilton any worse because it is over the tracks of the Grand Trunk Railway Company? The honourable gentleman spoke of payment for services rendered as "paying tribute," and every argument he advanced, if I followed him correctly—and I certainly have no intention of misinterpreting the words of the minister for whose sincerity and knowledge I have the greatest respect—it seems to me that every argument that he advanced in favour of buying the Grand Trunk railway would apply with equal effect and equal force to buying, as far as our resources permitted, every railway with which the Canadian National railway or any of the railways in which the Government is interested exchanges traffic. A friend of mine owns a country place which commands a view over a very beautiful and vast plain. In the foreground but some distance away there was erected an appallingly ugly structure. When their friends commiserated with them, the philosophic wife of my friend always said: "I tell Tom that he cannot expect to own out to the horizon." It seems to me that the minister wants to own out to the horizon. I am not attacking the honourable gentleman's knowledge or sincerity, but my interpretation of the way in which railroads are run on this continent make me take quite a different view of the situation. If I may put it this way, I think that fundamentally his argument is based on a misconception of traffic. Traffic is the offspring of demand in one place and supply in another. Means of intercommunication between those two places cannot beget traffic: they can only stimulate traffic. If there were two barren and unhabited rocks a thousand miles apart in the Pacific ocean, one, or two, or three, or five steamship lines calling at those islands would make no traffic between them, because no traffic exists. If Hamilton produced nothing which the inhabitants of Saskatoon wanted there would be no traffic between those places. Traffic, that is, the interchange of goods between two places must exist. The only traffic that can be affected

is not the large and interesting "traffic" on which he gave us such interesting and encouraging figures. As I remember his remarks, he did not deal with traffic originating in Ontario or Quebec for points on these two railways, the Canadian Northern and the Grand Trunk Pacific, operated by the Government of Canada; and this is the only business which can be affected by the proposed purchase. It seems to me that figures of that business would have been much smaller than those interesting and important figures which he did give us.

I admit, however, that there was a time when his position would have been an ordinary one for a man skilled in railroad affairs to have taken, namely, that it was necessary to control a road in order to make business arrangements with it. In the railroad world there was a time when amongst the railroads not so much those of this country as those of, I may say, this continent, the attitude of the railroad magnate was, "The public be damned," when the rates were made with reference to what the traffic would bear, when discriminations between different shippers and different places were common and were in the ordinary course of carrying on business; when, unfortunately, in a great many cases profitable things in connection with the railways, such as elevators, express companies and other institutions were owned by insiders, when it was not unknown that insiders built branches and sold them to the parent company. I think it is worth recalling that it was a Canadian railroad that was the pioneer in establishing a new standard for the whole of this continent, namely, that all these things should be owned and operated in the interests of all the shareholders, and not any particular group of them. That was an antedeluvian time when in the railway world, to put it briefly, the hand of every man was against every other, and if you wanted to get traffic for your road, to get a fair share of the business, you had to get it with a club. The flood which swept those conditions away was made by the mingling of two streams. One was the public indignation against the injustice of the railway management to the public; and the railroads of to-day, working under different conditions, with different conceptions and different ideals, are suffering for the sins of their railway fathers. Mingled with that flood of public indignation against the injustice to the public was a new conception among railway men of how railway business should be conducted. They realized that no railway had unlimited resources, and that it was the proper thing for the management to utilize to the best advantage the property and resources which they held in trust for the shareholders. They found that the best means of utilization was not the old method of warfare, but the method of co-operation; that in order to reduce the fixed cost of a station they must get some other railroad to use it. They found that they could reduce the cost of tracks by letting them to other railroads. They had the new conception of working in harmony, depending for their business and for a fair return upon giving better service—prompter, more efficient and more careful service than the rival. They felt that in that way they would obtain the best advantage for their own road. That co-operation as the Minister of Labour has said is carried on from one end of the country to the other. Every railway in Canada exchanges traffic with other roads. Whatever the good intentions of the railway executive are, they are supplemented by the fact that legislation has been passed to protect the interests of not only the general public, but of one railroad against another.

In speaking of that new spirit in railroading and of the new practice, let me call the attention of the House to the fact that there is an Association of Railroad Executive of America, of which, by the way, the president of the Grand Trunk railroad, Mr. Kelley, is a member of the executive committee. That executive controls 92 out off every 100 miles of railroad in the United States. The executive committee formulated recommendations which were submitted to a general meeting held in January of this year, and those recommendations were unanimously approved. The heads of the great railroads in the United States recommended that the Federal Government, in the interest of the public, should have power: (1) to arrange for the distribution and re-routing of business so as to prevent congestion and blockade; (2) to arrange for a fair distribution of cars between roads, regions and shippers; (3) to arrange for the joint use of terminals when owning roads failed to agree; (4) to prevent waste and extravagance in the construction of new roads, branches, expensive terminals and duplication of facilities. That such recommendations should come from the heads of American railroads marks the enormous change that has taken place in the spirit of American railroads, in their

attitude towards each other and towards the public.

Hon. Mr. BELCOURT: Will my honourable friend allow me to ask him a question? Is the adoption of those recommendations to be a permanent arrangement?

Hon. Mr. McLENNAN: That is a recommendation for a permanent arrangement made in January of this year. It was not intended as a war measure, but was the permanent policy on which the American railroads wish to carry on their business in the future.

Hon. Mr. BELCOURT: Is that an outcome or result of the arrangement which prevailed during the war?

Hon. Mr. McLENNAN: I should think it is very largely.

Well-known railway men had the experience of co-operation and found the benefits of it during the war, and its advantages over the war against each other and against the public, which their predecessors had carried on in the antediluvian period to which I have referred. Consequently they are now willing to relinquish those powers and to adopt co-operative méthods.

Hon. Mr. BELCOURT: Would the honourable gentleman allow me to ask him also, has he compared those suggestions with the regulations which were in force in Great Britain during the war for the management of all the railroads?

Hon. Mr. McLENNAN: Yes. The English position was so different that such a comparison would be a little difficult. You may remember that I once brought the attention of this House to the matter; but I cannot expect that to be remembered. I referred to the way in which railroads were managed. They were all taken over by the Government at the outbreak of the war. It had been previously arranged that a committee of what would in America be called railway executives should manage those roads. They worked closely together, each road retaining its own personnel, but being directed as to general policy by this central committee of either ten or twelve of the chief railway managers—superintendents, I think they are called in England.

Hon. Mr. BELCOURT: But was not that exactly what was done in the United States?

Hon. Mr. McLENNAN: It was done in the United States under a voluntary system. The American railway administration is still carrying on the operation of the American railways, but I brought up this point largely to show the new spirit and the new methods in harmony with it. In this instance again, we do not need to follow the precedent of the great country to the south; for these things which have been recommended by the American railway executive as desirable have all become law in Canada and are already being carried out.

As we revised the Railway Act last year, it is not necessary to any great extent to call the attention of this House to the provisions contained in it, but let me refer briefly to section 154. Directors may make traffic agreements, may make agreements for running powers, for division of tolls, for management and working, for joint committees; and it is all under the jurisdiction of the board.

Hon. Mr. BELCOURT: That is, exchange of traffic.

Hon. Mr. McLENNAN: Looking also at section 312 and succeeding sections one will see the extraordinary powers given to the Commission and to the companies along these same lines. The companies must give accommodation at all stations for carriage and delivery; there must be no delay; they shall furnish all proper appliances and all other service incidental to exchange. The board shall decide what proper and adequate accommodation is. The board may regulate the time of arrival of trains so that connection with other roads may be made. The board may order specific works, may arrange for tolls, may arrange for demurrage, for the interchange of traffic between connecting lines, for interswitching, for the reciprocal duties of the companies and for charges. The Act provides that equal tolls are to be charged, that there shall be no discrimination for or against a particular person or company, or as between different localities. Facilities for through traffic shall be provided; there shall be no undue preference or discrimination or prejudice in the allotment of freight cars. Connecting railways must afford reasonable facilities. Facilities shall be provided for the junction of private sidings, branches, etc. Equal facilities must be granted to express companies. The board has power to determine these matters, and the burden of proof where discrimination is charged is on the railway company and not on the private shipper. If you turn again to the sections on penalties you will see how severe the penalties are. Moreover, those powers have

been exercised in every department, and exercised without protest. In the West and in the East, the Railway Commissioners have ordered that train services shall not be discontinued, and in some instances that they should be improved.

Hon. Mr. BELCOURT: Will my honourable friend permit me to suggest that he might call attention also to section 336, which is very much to the point. It deals with joint tariffs.

Hon. Mr. McLENNAN: Yes; section 336 deals with joint tariffs, and the following section provides for cases where companies fail to agree.

Hon. Mr. BELCOURT: Joint tariff refers to any continuous route operated by two or more companies.

Hon. Mr. McLENNAN: With regard to instances in which these powers have been exercised, I do not wish to weary the House. There is case after case in the East and the West where the Commission has regulated the number of passenger trains. Let this instance regarding freight suffice. A fruit-growing district in British Columbia served by the Great Northern's Canadian lines found its routing and its rates to points in Saskatchewan circuitous and expensive, the road trying, as all roads do, to get the longest possible haul over its own line—a routing using the Great Northern, which had a fast fruit service, and the Canadian Pacific railway, instead of the Grand Trunk Pacific; and tariffs for the new service were ordered by the Railway Commission. The power of the commission to do this has not been questioned, and that power can be exercised in any case from the Atlantic to the Pacific where shippers can show that the public interest would be served.

In harmony with this spirit and with what is being done on Canadian lines from the Atlantic to the Pacific, where common stations and common terminals are used, every Canadian line in connection with an American road can make arrangements for co-operation which works out satisfactorily. For example, the Canadian Pacific railway does not try to buy the Maine Central because it is an important link connecting St. John with Boston. The Grand Trunk and the Canadian Pacific both use the Boston and Maine in reaching Boston from Montreal. There seems to be a sort of theory of balance of power in these matters. A year or two ago, after the Delaware and Hudson had connected for many years with the Grand Trunk railway to Montreal, and the Rutland road had New York connections with the Canadian Pacific, it was announced that the Canadian Pacific had secured the Montreal connection of the Delaware and Hudson railway. It looked to the outsiders interested in railway matters as if the Grand Trunk was being shut out; but before the date fixed for the establishment of connections between the Delaware and Hudson and the Canadian Pacific, starting from Windsor street, the announcement was made that the Rutland road was going to connect with the Grand Trunk railway. I am inclined to believe, although I have no knowledge, that this was not in contemplation when the Delaware and Hudson established connections with the Canadian Pacific railway, but it was considered to be in the interests of the general railway policy that a great railroad like the Grand Trunk should not be shut out from New York.

Hon. Mr. BEIQUE: If the honourable gentleman will allow me, I would say that I had to do with that agreement with the Delaware and Hudson, and, as he says, there was no intention of shutting out the Grand Trunk from the United States; the agreement was merely made for the purpose of securing to the Delaware and Hudson the advantage of the terminals at Montreal.

Hon. Mr. McLENNAN: Well, I have to withdraw that particular instance, and I will not take the time of the House by finding another. Scores of instances are to be found from the East over to the West.

I believe that a working arrangement is possible between the Government railways and the Grand Trunk. The honourable the Minister of Labour said that the connection with the Grand Trunk was a bad one, that it was irritating, and to the disadvantage of the Intercolonial railway. I have never noticed in the trains running between the Lower Provinces and Montreal that all the delay occurred between Montreal and Ste. Rosalie Junction. More than that, if an arrangement of that kind with the Intercolonial railway, with the Government of Canada behind them, cannot be worked out satisfactorily, when scores of railroads are making similar arrangements which are mutually satisfactory, it seems to me that that is a reflection upon officials of the Intercolonial or the Department of Railways, rather than an argument against any such arrangement. A great part of my objection to this Bill would have been obviated if I could have been shown that the course pro-

posed was unworkable. I have listened with the greatest interest, and with an open mind, but I have not been convinced, because there are so many examples to the contrary.

In addition to the points I have made, there is also the other point that it seems to me that the underlying principle of the proposed purchase is Prussian. That is an offensive epithet, but it is not applied in a personal way. You cannot wound the feelings of a policy. Prussia, the dominant element in Germany for thirty or forty years, made the most extraordinary advance in the arts, in trade, in commerce, ever made by a civilized people. She was peacefully penetrating the defences of her greater rivals. Britain's mails were carried between ports by German ships all through the East. There was not a dominion, dependency or colony of the British Empire where Germany was not increasing her trade. She rivalled in Great Britain itself British ironmasters and manufacturers. That condition caused alarm to every one who observed the signs of the times; and had Germany kept on as she was doing, by the exercise of this peaceful penetration, it is hard to say what in twenty years more would have happened. But Germany would not depend any longer on giving a good return in goods, in accommodation, in transportation, or whatever it might have been, for what she received, thus increasing her business. Germany made a great world war, the consequence of which is that Germany and every other country will suffer for generations, that she might illimitably increase, as her blinded rulers thought, the advantages that she had already gained. She imperilled those and lost them, that she might have absolute control, that she might say, "You must not only govern yourself as I say, but you must trade as I will."

In the railroad world conditions were different. The railroad world of America fought; they tried a rule of domination and trying to get control, all fighting with their neighbours or friends. They found that it did not pay, and took the course of co-operating and working together and depending, as Germany had in pre-war times, on giving a first-rate service and getting what they could for it—and, in the case of the railroad, that meant getting what they could under the regulation of law and under the regulation of a railway commission. It seems to me that this proposal is a mistake because it is going back. The only point upon which it can be reasonably and fairly established is that by buying the Grand Trunk railway the people along that railway who have goods to send to points on the Canadian National or the Grand Trunk Pacific will be forced through that ownership to put up with an inferior service. So much for that, whether right or wrong. I have tried to be as right as I could be from whatever knowledge I possess on this question.

Two of the gentlemen concerned in the Drayton-Acworth report that has been so often quoted, were railway men, and both of them were against government ownership and regulation. Mr. Smith is the head of a very great railway company in the United States, a railway connecting with Canadian roads, and he is familiar with Canadian conditions. On page C11 of that report he makes a suggestion, which is certainly not in favour of government ownership and government operation. Nor is Mr. Acworth, except in the most modified form, in favour of putting control in the hands of the Government, and Mr. Acworth is by repute the best informed man on railway questions in the Empire.

There is another aspect to this question which we in this House should very carefully consider. It is a phase of the financial question, not that which has already been dealt with, but that as to the sources of the revenue, which, as has been pointed out over and over again, this country requires to get. For many years we went along borrowing freely from the greatest money market in the world. That market is now closed to us. There is but one market now open outside of our own country—that of the United States—towards which the eyes of every borrowing nation, and they are almost all the nations of the world, are now turned. But the most wonderful thing in the history of finance that has happened since people sacrificed their jewels and most precious possessions to serve a country, has occurred in Canada in the last five years. Any Minister of Finance who, in the spring of 1914, suggested that an internal loan of $50,000,000 should be raised in Canada would have met with nothing but discouragement, and would have given rise to the opinion that he was absolutely unfitted in his ignorance of conditions in Canada for the position which he occupied. To-day $2,000,000,000 have been raised from the people of Canada. I think I can fairly describe that as a most astounding and wonderful thing, first, that Canada had the money, and, second, that Canada so lavishly poured it out to support the Government

of Canada in what it was undertaking and in its splendid achievements in organizing and carrying out the wishes and desires of the people. The ending of the war has not stopped that. It has been said that the time of bringing this railway matter on was inopportune on account of its effect on this loan; but the people of Canada have risen above their disappointment in their patriotism, and this loan promises to be as successful as any of its predecessors.

But it seems to me that the Government, when it looks again to the people of this country, and it must look again for further sums of money in enormous quantities, is especially charged with the duty of so administering the funds confided to them, and so spending the taxation that is raised, that there will be no occasion for any one to say that their administration is not cautious, that it is not conservative, that it is not thrifty, that the Government embarks on anything which is expensive which could be done, even at some inconvenience, in a more careful and more thrifty way. Do not let the Government of Canada chill these generous impulses, these loyal and patriotic impulses of the people of Canada if it can possibly be avoided. It seems to me that haste in this railway matter is one of the things that may do great damage along these lines.

There is another aspect which has been referred to in this House by the leader of the Government. It is known to all of us from one end of the country to the other that this country politically may be on the verge of a great change. If one reads the significance of every election which has taken place in Canada in the last few months, he will see that the results show that in the next administration of Canada there may be a dominant element, an element unversed in affairs, unaccustomed to reading the lessons of experience; an element eager to try new experiments. If that comes about, and I think any one would be rash to say that it may not come about, what will be the position at that time of those who, when some experiment which strikes at the root of public credit, which shatters or upsets some great activity of our national life, is proposed, ask for delay, for the fullest information, for time to study that question in all its bearings? Will that appeal not be weakened by what happened in 1902-3? The Government then was asked to delay action. The Government did not listen to that appeal; but this much can be said, that that Government and the people of Canada were living in a period of exuberant harvesting of the possibilities. They had impressed the importance of their resources on the greatest money market of the world, and loans were to be had for the asking. But we, the Parliament of Canada in 1919, are in a different period. We are in a period where our debt is enormous, when we must depend on our own resources. Radical or rash or ill-informed elements in the parliament of the future can well retort that in 1919 we now sitting here pushed through an Act with inadequate information and without having had disclosed to us any real reason for haste, when all that is asked by the motion which I am glad to be able to support, whatever the results of the vote may be, is that we should delay consideration for another few months.

Hon. SMEATON WHITE: Honourable gentlemen, my views on the public ownership of railways have been fairly well advertised, and not even the eloquent appeal of the honourable leader of the House yesterday has changed them. I was very much moved by the letter from the Prime Minister, who is away and ill, more especially because in the early spring and winter of 1911 the newspaper of which I am the proprietor was one of the few newspapers which gave him a loyal support. Therefore it is after a long and I trust honourable support that we have given the Premier, that now I find I am in a position where I cannot altogether agree with him on his policy.

In 1917 I voted in favour of the acquisition of the Canadian Northern and possibly the public ownership of railways by the Canadian Government; but at that time the war was on, and it seemed to us that there was a far greater issue at stake than the question of the government ownership of a railroad. We thought at that time only one thing mattered, and that was the winning of the war. Thank God, we have now won the war. Being in that position, I feel it is open to us to resume pre-war conditions in defence, so that the opinions that we hold, and that we conscientiously believe in, may be stated without any effect on the great issues of that time.

I wish to compliment the honourable the Minister of Labour (Hon. G. D. Robertson) on the very able speech which he delivered yesterday. As a matter of fact, I had prepared a set speech which I was rather proud of. But his very persuasive and eloquent speech has really destroyed my thoughts or turned

them in an entirely different direction. The Minister of Labour, however, in making his review of the situation, which was very optimistic, was, I think, reviewing the situation from the standpoint of a practical railroad operating man. The Minister of Labour is a practical operating man, and necessarily, I assume, takes that view. The operating man on a railroad has charge of the rolling stock, the operation of the trains, the movement of freight, and many other things; so he represents a great part of the management of the road. But, in supporting the motion of the honourable member for Middleton (Hon. W. B. Ross), I would point out to this honourable House that there are two other factors in the combination of railroad management, namely, the traffic department and the audit or finance department, and it seems to me that those two departments, which the Minister of Labour did not touch on, are really more important in this proposal. If the Grand Trunk is, as I understand, in very good shape physically, it is needless for the minister to tell us what he told us yesterday of the great advantages that would accrue to the government roads by acquiring this road. What honourable gentlemen wish to know is how the traffic is going to be affected by the transfer of ownership from private interests, who have certain good-will with shippers, to government ownership, and also how certain large expenditures that have possibly to be made are going to be financed. These are questions which we have, I think, reason and right to know about, and I am assured that the Grand Trunk has financed itself for at least three or four months; so no great harm will be done by delaying the matter for a few months, and in the meantime inquiry can be made in order that honourable members may be in possession of certain facts they wish to know about.

With regard to the expenditures to which I have referred, there has been in progress for a long time in the city of Montreal a discussion between the city and the Grand Trunk railway as to elevating their tracks at their terminals in that city. I understand there is some agreement—in fact, that the Grand Trunk must elevate these tracks. The estimated cost is anywhere from $15,000,000 to $50,000,000. Now, it is quite possible that Parliament might make some law that would protect the Government, owning this railroad, from being obliged to make this large expenditure in Montreal, or it might be delayed. But a similar condition exists, honourable gentlemen, on the lines running through Michigan, Illinois, Maine, Vermont, and other states served by the roads now owned and operated by the Grand Trunk system. The different cities throughout the states where this road runs have made by-laws that the railroad must do away with what are known as level crossings, and must elevate the tracks or must build communications under the tracks. I think it would be very fair in the course of the next few months, before the next session, to ask the Minister of Labour to find out the amount of these expenditures and let us know in order that we might have some appreciation of what it means to put the road in the shape required by the by-laws of various municipalities; and possibly the Finance Minister could tell us how he is going to get the money.

The Minister of Labour (Hon. Mr. Robertson) also informed us of the splendid facilities that the Canadian Pacific had for the interchange of traffic by connections at a number of points, which he named. He also told us, as is shown in Hansard, at page 298, that the Grand Trunk had interchange connections for traffic with the Boston and Maine at Portland, with the Maine Central at Lewiston Junction, in Maine, and at North Stratford, in New Hampshire. Well, honourable members from Halifax and St. John might very well get further information on this particular point. The most valuable connection for the interchange of traffic the Grand Trunk system now has, according to my information, is at the International boundary, at Buffalo and at Rouse's Point, the connections at both places being largely for the interchange of traffic going to American ports in preference to Canadian ports. The Minister of Labour, who comes from Ontario, lives quite close to one of these interchange points. If these valuable connections are to be utilized, the traffic would naturally go from our Canadian West to the Niagara frontier, instead of going to St. John and Halifax. So I think that honourable gentlemen from St. John and Halifax might very well give this a little thought, and also consider if it would not be well to delay this Bill for a month or two so that they might establish to their own satisfaction what the real effect of having these connections will be.

Hon. Mr. DENNIS: Those connections exist now.

Hon. Mr. WHITE: Certainly. If they wish to make a traffic arrangement—

Hon. Mr. DENNIS: They have been in existence for some years.

Hon. Mr. CLORAN: Louder. We do not hear you.

Hon. Mr. WHITE: In reply to the remark made by the honourable member from Halifax (Hon. Mr. Dennis), I would say that the minister was making a point as to the value of these connections provided the Government owned the Grand Trunk road or controlled it entirely. The connections now exist, but he said they would be much more valuable and there would be more freight going that way, provided the Government owned the road.

Hon. Mr. DENNIS: In diverting freight that the two transcontinental roads have now, to the East.

Hon. Mr. ROBERTSON: May I point out to my honourable friend (Hon. Mr. White) that the business to which he has just referred as passing through the Niagara frontier points, and connecting there with American roads, is almost exclusively business originating west of the Detroit river, and was not included or referred to in the statement I made yesterday regarding the interchange of traffic between the Grand Trunk and the connecting lines. That is, simply through traffic and is not regarded as interchange traffic at all.

Hon. Mr. CLORAN: We do not hear a word that is said by honourable gentlemen opposite.

Hon. Mr. CASGRAIN: We have lost it all.

Hon. Mr. DENNIS: You will see it in Hansard.

Hon. Mr. WHITE: If the Government owned the Grand Trunk, they might perhaps develop that particular traffic.

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. WHITE: The minister referred also to the large export traffic that was hauled over the Grand Trunk, originating in what is known as the Grand Trunk Western; that is, on lines west of the Detroit river—Chicago and West. Last year, I understand, what is known as the through traffic amounted to something like $20,000,000 or $22,000,000. About one-half of this traffic was earned by the Canadian road, the other half being on the American lines. This year, I believe, the railroad estimates they will probably earn anywhere from $30,000,000 to $35,000,000 on their through traffic. Now, as he very properly said, the through traffic is the profitable traffic of a railroad. In other words, according to the way railroads, as I understand, keep their books, they say overhead charges must be borne by local traffic.

Anything that might interfere with this through traffic would be a very serious blow to the earning of the road. In 1917, when the McAdoo administration came in, something happened that did interfere with that traffic. I make this point, not for the purpose of offering any criticism about what happened, but simply to show how easily this traffic might be interfered with. At that time the administration put in charge of this particular area a gentleman who apparently was more friendly to some of the other lines. There are ten competing trunk lines going into that territory. He was apparently more favourable to those lines than he was to the Grand Trunk. The consequence was that traffic fell off; but fortunately, the management of the Grand Trunk were able to get some change made in the personnel of the administration in this territory, which has resulted not only in their getting back what they had before but in their increasing it. So it shows that if the traffic department have to go into Chicago as they do now, they go in with the good-will which the Grand Trunk has earned by services rendered over many years' operations. But I do not see how, as a commercial proposition, that good-will can be transferred to the Canadian Government. The traffic man going in to solicit freight for the Grand Trunk is in a very different position now from what his position would be if he were going in to solicit for a road that is known to be owned by the Canadian Government.

Furthermore, the Minister of Railways, in making a statement in the other House the other day, said, in answer to a query as to how the freight having its origin in the Grand Trunk Western would be controlled so as to go to Canadian ports, said that that would be a very simple matter, because any canvasser or traffic man who tried to send freight otherwise than to Canadian ports would not hold his job very long. Well, honourable gentlemen, that would be a great handicap to the traffic man going into this territory. In other words, he could not get freight for Portland, Boston, the Niagara frontier, which the Minister of Labour has just mentioned, and other ports —he could not get that freight, because he would be told in his instructions, according to the answers given in the House by the Minister of Railways, that he must canvass for freight for Canadian ports and Canadian ports only.

This purchase of the Grand Trunk control carries with it the purchase and practical ownership of the terminals at one of the American ports, the port of Portland. The Grand Trunk have built and own the terminals in that port, and if it is to be the policy of the Government—it seems to me it is a very proper policy—that the freight from the Canadian Government-owned roads should go to St. John and Halifax, it is going to take away the freight from Portland, and I do not believe it will be very long before there will be some objections from the citizens of Portland, and possibly from the American Government themselves, that this port should be allowed practically to lie idle while the natural trade which has been coming there for some years should be taken away and given to St. John and Halifax. It is going to lead to complications. I am quite in accord with the honourable gentleman from Sydney (Hon. Mr. McLennan) that a traffic arrangement can be made, and should be made, and all these complications that will come through government ownership can be avoided.

In saying this, honourable gentlemen, I am not endeavouring to decry government ownership, because, after all, the Government has now a very large mileage of railroads in Canada, and even the Grand Trunk Pacific, that has been very much abused, and been referred to as being a great load upon the Government, in the last two or three years has hauled out from its exclusive territory from $100,000,000 to $200,000,000 worth of natural products, these products being grain, fish and lumber. So, after all, if the Grand Trunk Pacific is costing $6,000,000 or $8,000,000 a year, the Government of Canada is exporting from Canada $100,000,000 to $200,000,000 worth of natural products, and we are getting a return in some form. That must be worth something to us, honourable gentlemen. It may not be worth the price we are paying; but it is worthy of consideration and the return might be increased, because, as the Minister of Labour very well knows, the most direct route from Winnipeg to Halifax is by the Transcontinental and the bridge at Quebec. And if we are going to acquire and use the Grand Trunk and its connections we shall not want to use the other. I think it is better for us to try to improve and develop what we have.

The minister has stated several times—I was a little pained to hear it—that the lines of the Canadian Northern in the East were a joke. Now, some honourable members of this House travelled with me over one of the joke lines within the last month. They know what it is. It did not appear to us that the line was bad. The rolling stock appeared to be good. So if there is any joke about it it must be the joke of the management, and I think it is well worth while that the minister should look into the matter. The gentlemen who have travelled on that road can vouch that it is no joke, but that the lines are good.

Hon. Mr. ROBERTSON: The joke is in the lack of traffic.

Hon. Mr. DOMVILLE: To what line are you referring now?

Hon. Mr. WHITE: To the Canadian National line of railway running from Hawkesbury to Quebec.

Hon. Mr. DOMVILLE: The men who went over that had champagne, free lunches, and everything. I did not go.

Hon. Mr. WHITE: Well, honourable gentlemen, I will not detain the House with anything further, but I really think that this is too big and too serious a matter to be railroaded through in this way; that for a month or two the Grand Trunk would not suffer, and if anybody else suffered it would not be anybody whom we know about. I think a couple of months' delay would be a good thing, and I am very glad to support the amendment of the honourable member from Middleton.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, it is really with sadness and apprehension that I approach this subject, for the more I think of it and look into it the less I see it to be to the advantage of the Canadian people. I had hoped that better judgment in another place would have kept this measure there. I had hoped that it would not have come here and that we would not have to deal with it.

I have too much respect for this House to make any statement here that I have not most carefully verified. In the many hours during which I have enjoyed the kind attention of this House I have not made one utterance that has been challenged either for its exactitude or its sincerity. I appreciate the usefulness of Hansard. Honourable gentlemen, in addressing this House, know that every word they say is taken down, and that if they err through lack of knowledge the fact can be cast up to them either in this House or outside. I realize that this is no time for academic discussion of the

merits or demerits of public ownership or private ownership, with or without government control. On a former occasion the leader of the House gave us a ray of hope when he said that if the measure then advocated—one somewhat similar to this —were not successful, we might perhaps after having failed to carry out the undertaking to the satisfaction of the Canadian people, find a syndicate or a wealthy corporation to take it over. But after failure on our part it might be difficult to find any body of men willing to take it over on as good conditions as we had before. However, even that ray of hope has been dissipated by the letter from the Prime Minister, whose illness, I am sure, we all deeply regret. He says in that letter, as I understood it, that this road will never be handed over to a private corporation. After reading the letter, the leader of the Government repeated what he had said on a former occasion. He said: "If we fail, we can advertise the road, and get financiers in the United States or in England to take it over." We are not concerned as to where they come from, provided they take our place, which I do not think any financiers, prudent ones anyway, would think of doing, because the roads making up this system are already loaded down with debt. I will not say whose fault it is, but they are absolutely water-logged to-day, and it will take them all their time to meet the charges of operation. As the honourable gentleman from De Lorimier (Hon. Mr. Dandurand) said last night, we shall be very glad if these roads can be brought to meet operating expenses, and if the taxpayers of this country shall only have to be called on to provide for the interest on the bonds and to pay for the betterments. Money will be needed for the betterments at all times, which will mean an increase of capital, and again we shall have to go to the taxpayers of this country. It will not be pleasant to have to ask the people of Canada for that money when these betterments and improvements are to be made in a foreign country.

We might discuss the merits or the demerits of private or public ownership from now until doomsday. The shelves of the libraries are full of books on the merits and demerits of both. I am sure every honourable gentleman in this House has read a good many of those books. Many of them, particularly of late years, have been circulated widely. I must say at once that there are many good things in public ownership: I do not deny that. Certainly, if we had started with public ownership, we would not have such duplication as we have to-day. As the Minister of Labour said yesterday, "You would not have had the two parallel lines running between Winnipeg and Edmonton—one straight and one crooked." There would be only one line. Then, too, between the city of Montreal and the city of Ottawa we have three railways running, with no end of trains. I think there are many railways running between important points in the United States or between important points in England, any one of which has as much business as our three roads. I leave that question to the Minister of Labour, who seems to be an expert. I am sure that between Philadelphia and New York there are single railway lines doing more business than our three put together. But what are we going to do now that we have them? It is too late to prevent that duplication. The roads are built, and industries and settlements have been established alongside of them in good faith. After all, the very warp and woof of our national life is politics, and you cannot take a railway away because it duplicates another. There are very few railroads that run from one important point to another important point without touching at various different intermediate points. Therefore this argument as to duplication must be banished from the discussion. We have got the duplication, and we have to make the best that we can of it.

There are many other good features about public ownership which it would take too long to discuss adequately. The question that we have to consider to-day is the railway situation in Canada, in the light of population and the extent of our mileage.

We have heard much about the Drayton-Acworth report. The gentlemen who made that report say that we have over 40,000 miles of railway. Think of it: 40,000 miles of railway for 7,500,000 people. What does that mean? It means, honourable gentlemen, that there is a mile of railroad for every 185 persons, men, women and children. Taking the average family as four, that means that there is one mile of railway for every 40 men who are able to work. Can 40 men do enough business to support a mile of railway? And in some places in this country the condition is worse than that. In 1901 what was the mileage in Canada? At that time we had a population of 5,371,315 and 18,000 miles of railway. That gave us 300 persons to each mile of railway. We went on for ten

years, and in 1911 we had increased our mileage by 7,400 miles, so that we had about 25,400 miles of railway. During the same period the population increased 40 odd per cent. We then had a population of 7,206,000 people. Therefore we had for every mile of railway 284 persons: we were already over-building. But six years later, in 1917, we had 40,584 miles, according to the figures shown on page 2 of the Drayton-Acworth report, and we had a population estimated at 7,500,000, or only 185 persons per mile of railway. You will see, honourable gentlemen, how during those six years the population increased but it had not increased in proportion with the increase in the railway mileage. We had an increase of over 15,000 miles of railway and apparently an increase of only about 300,000 in the population. But the western provinces show a still worse state of affairs. I am sorry some of my honourable friends from the West are not here. I see my honourable friend from Bossevain (Hon. Mr. Schaffner), and I hope he will listen to what I say and tell his confreres that in the western provinces there is a mile of railway for every 122 persons. In the Northwest the families may be a little larger than they are in the East. There may be five in a family—a man and his wife and three children. That is thought nothing of in our province, and in the Northwest, where there is ample space, it would be quite an easy matter to establish a large family. So in that case you have 25 families per mile, or 25 heads of families for each mile of railway. Now, honourable gentlemen, none of those roads have cost less than $50,000 a mile—and I am putting it mildly, because the Drayton-Acworth report put the cost of the Canadian Northern at $56,000 a mile. At 5 per cent, that means $2,500 of fixed charges. How can that $2,500 be paid? It can only be paid by the railway making $7,500 of gross earnings. The Canadian Pacific railway were very pleased when their operating expenses were only about 66 or 64 per cent—somewhere below 70 per cent of the gross earnings. Therefore, for every $3 that a railroad company earns $2 goes for operation—and I think the honourable Minister of Labour will back me up in that—and $1 is profit. Of course, during the war operating expenses ran away up to 80 and 81 per cent, but those were abnormal times. Therefore, if a railroad has to meet $2,500 of fixed charges that cost $50,000 per mile, it has to do a business of $7,500 per mile. According to some of the annual reports, the railways do not make that much per mile. I do not know how it is now; but for 25 families to contribute $7,500 would mean that it would cost each family $300, or a dollar for every working day in a year, to keep those roads going. I do not think anyone can contradict that statement, because I make it from the books, and if anyone wants to verify anything that I say, I will have the papers here. I did not know that I would be called upon to speak this morning, and when I go on this afternon I shall have more papers and books.

How does this condition compare with conditions in other countries? The United States, as every one knows, leaving Canada out of the computation, has more miles of railroad than all the other countries in the world. If you add the mileage of Canada to the mileage of the rest of the world, the total mileage is just about equal to that of the United States. The United States has 400 people per mile of railway. In the United Kingdom how many people do you think there are to support one mile of railroad? There are 2,000 people for every mile; and yet under government ownership you saw lately a huge deficit. You all know that the railroads while in the hands of the Government have not been paying. When I was in England not very long ago, the people were seriously considering the immediate return of these roads to the private companies. The Government had absolutely fallen down; and yet there are 2,000 people to support one mile of road? Or, if you take the country as a whole, what will 185 people per mile do?

But look at conditions in other countries. Take Australia, for example, where there are 374 people per mile of railway. They have government operation; they have had it for a long time. Later on I will speak of the railroads in Australia. What is the cost of operation there? For every dollar that we have to pay here they have to pay $2 for the same service in Australia. I challenge contradiction of that.

Hon. Mr. SMITH: Can the honourable gentleman give us the population per mile along the Grand Trunk which we propose to purchase?

Hon. Mr. CASGRAIN: I have carefully read the Drayton-Acworth report, which cost the country a lot of money, and it does not give that information, and I cannot answer the honourable gentleman.

In Russia there are 4,000 persons for every mile of railroad. Argentina has a

population about equal to ours. That is a country that is forging ahead. We can say that Canada is the progressive country, and so on; but during the last twenty-five years or so the Argentine has forged ahead by leaps and bounds. The beautiful city of Buenos Ayres, which twenty-five years ago had a population of about 200,000, has now a population of nearly 2,000,000.

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

At one o'clock 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.

GRAND TRUNK RAILWAY ACQUISITION BILL.

DEBATE CONTINUED.

The Senate resumed from the morning sitting this day the adjourned debate on the motion for the second reading of Bill 33, an Act respecting the acquisition by His Majesty of the Grand Trunk Railway system, and the motion in amendment of Hon. W. B. Ross.

Hon. Mr. CASGRAIN (continuing): Honourable gentlemen, when we adjourned, I had just reached the point of discussing the Drayton-Acworth report. I find that the report is in two parts. Mr. Acworth, who was associated with Sir Henry Drayton, only came here late in December, and the report appeared some time in February. We may therefore take it for granted that Mr. Acworth did not go over the ground himself. I may say that the gentleman who had been appointed originally was Sir George Paish, who, I understand, is quite an authority on railway matters; but for some reason or another he could not come, and after he had sent in his resignation some weeks elapsed before Mr. Acworth was appointed. Then some weeks elapsed before he could come here; so that, owing to the intermission between Mr. Acworth's appointment and his arrival from England, he was only able to reach here about the end of December. We should therefore call this report Sir Henry Drayton's report, because the other gentleman simply signed what had been prepared, and took everything for granted. I do not say that with the view of disparaging Sir Henry Drayton. Sir Henry Drayton is a good lawyer. He was formerly the City Solicitor for Toronto at a good salary, and he frequently came here to plead before the Railway Board. The Government thought he would make a good chairman of the Railway Board, and a vacancy having occurred suddenly owing to the death of Mr. Mabee, he was appointed to that position. He was Chairman of that Board for eight years, and having heard the argument for the railways on one side, and that for other parties on the other side; having heard corporations and individuals; and having had engineers at his command with all the employees of the Commission to enlighten him—notwithstanding all that, before he vacated his position as Chairman of the Railway Board, he published a report in which the fundamental principles of the problem of transportation were absolutely ignored. I do not know whether or not that was the reason for his leaving the Board; I shall not repeat the unkind things that were said about it by those who are in the railway business, but since then he has been transferred to a more exalted position. He may have been an excellent lawyer; he may make a good Minister of Finance, for all I know; but as a railway man he was only an amateur.

If you really want to know the railway situation you should read the report of Mr. A. H. Smith, who was President of the New York Central railway for years, and who has devoted his whole lifetime to railroading, and is a man of bright intellect; whereas Sir Henry Drayton, after all his eight years' experience on the Railway Board, does not seem to have grasped the fundamental principles of the problem on transportation. Here is what Mr. Smith says: In the United States the rate for carrying one ton of freight one mile is three-quarters of a cent, and in Canada it is almost the same. Very good, that is by private enterprise. In Australia, under government ownership he says the rate is two cents, or one penny. I said this morning that it was twice as much, and you see that I was within the mark. He says that passengers are carried at threepence, or six cents per mile, which is also twice as much. Sir Henry Drayton says—he may be right, or he may be wrong "The Government is entitled"—I wish to draw the attention of the House specially to this—"the Government is entitled morally and legally to make the Grand Trunk live up to its contract." When I say, "Make the Grand Trunk live up to its contract," I mean that the Grand Trunk railway share-

holders should get what is coming to them, as was said by the honourable gentleman from Nipissing (Hon. Mr. Gordon). I never supposed that the Executive of this country, or the House of Commons or the Senate, was a charitable institution. We are justified in being charitable with our own funds; but we are here as trustees of the people. We are honoured with the confidence of the people, by their entrusting to us the administration of their money, and why should we give to shareholders, no matter how worthy they may be, the money that has been entrusted to us? If that were done by private trustees they would be sent to the Kingston penitentiary or to St. Vincent de Paul. We have no right to give these shareholders anything but what is coming to them. Much as we would like to do it, we have no right to exercise any generosity with other people's money. If we want to help them, well and good, but we have no right to help them with the public money. Then. Mr. Smith goes on to say that Now—that means 1917—it would require immediately $30,000,000 to equip the Grand Trunk properly, and that $70,000,000 would have to be spent in the next five years. As that was two years ago, there is now left only a margin of three years. That means that $100,000,000 will have to be spent soon. If you look at the report of Mr. Smith, you will see the confirmation of that statement.

Then Mr. Smith makes a very strong point when he says that if the Government is to undertake to operate the three railways, namely, the Canadian Northern, the Grand Trunk Pacific, and the Grand Trunk, in fairness to the shareholders of the Canadian Pacific railway the Government should also take over that road. That statement appears on page 76. Mr. Smith rejects absolutely and conclusively the proposition of government ownership and operation. He claims that, knowing human nature as we know it, knowing that the very warp and woof of our national life is politics, it is impossible in a democratic country to attempt it.

Sir Henry Drayton and Mr. Acworth agree that the Government should not attempt to own large railways, especially to operate them. Then Sir Henry Drayton proceeds to make recommendations, among which we find one that is really amusing. He would have the railroad entrusted to five commissioners, and he says that these men should be absolutely free and independent of the Dominion Parliament. As the honourable Senator from Alma (Hon. Mr. Foster) said last night, he would have us hand over to these five men property of the value of one billion and a half of dollars, to be used as they please. That is Sir Henry's report: they would have no Parliament or Executive to consult. And these five men, although owing their appointment to the Executive, once they were appointed would be self-perpetuating. They would be like those flowers which are of both sexes and reproduce themselves, even without assistance from another flower near by. When one resigns, the remaining members will appoint another, and so it will continue. I leave it to honourable gentlemen in this House to conjecture how long these men would occupy their positions or be kept in office if they displeased the Executive who appointed them. The Executive would naturally say: "You are making ducks and drakes of the management of these government railways, and, unless you do better, or give us the service we want, we shall have to remove you." But suppose the Executive did not remove them. In this country, as in other countries, there may be a change of Government, involving a change of Executive, and, if so, those five men might not be satisfactory to the new Executive. We have elections every four or five years, and there might be change after change. As a result, you would have untried men to whose hands you would entrust the administration of a billion and a half of dollars worth of property. Where is the democratic principle in that self-perpetuation?

I was quite amused yesterday when the honourable leader of the House, who turned out to be a great democrat on this occasion, spoke about the House of Commons having a mandate, and so on. I could not believe it. I thought he was coming over to our side, when he expressed such liberal views. However, why should we, the Parliament of Canada, who are, after all, only the representatives of the people, take from the people a billion and a half of dollars worth of property, entrust it to five gentlemen, and say to them: "Do as you please with the greatest asset Canada has got?" It is sufficient to mention the proposition to prove its absurdity. If Sir Henry Drayton advocated such a scheme as that, and if he administered the Railway Commission in such a manner, then it is a good thing for the Railway Commission that he shifted his activities to another direction.

Sir Henry Drayton and the other Commissioners say that under this proposed plan the Government will have a deficit of $12,500,000 yearly. That is a large amount of money. They do not say we are going to make any money, but they make the observation, "leaving nothing to pay for fixed value." As I read that report—and I stand to be corrected if I have made a mistake—they would have twelve and a half millions of a deficit on the operation.

Going back to Mr. Smith, on page 91 of his report he says that the capital of the Intercolonial railway, including loss of interest, is $348,000,000. I do not say these figures are correct, honourable gentlemen. They are in this report, prepared by the very Government that is putting this scheme through Parliament. For that large amount, on which the interest would be $16,000,000 a year at a very moderate rate of interest, we do not get one cent; and now we are asked to increase that. The whole mileage of the Intercolonial railway is not over 1,600 miles. We are buying more than that in the United States alone. We are getting 1,665 miles over there. We are getting another system of 8,173 miles, of which 1,665 miles are in the United States.

He goes on to say that there should be nothing paid to the shareholders of the Grand Trunk Pacific. It is stated in the report that nothing will be paid, and that the Grand Trunk shareholders should be willing to forego their dividends for the present. There is no doubt about this expression of Mr. Smith. He says further that there should be no acquisition of the Grand Trunk. You would almost think he saw into the future. At page 94 he says there should be no acquisition of the Grand Trunk, because, forsooth, 2,000 miles are in the United States. I do not know where he gets that figure, because, according to the Government report, the mileage in the States is only 1,665. But he says that 2,000 of that railway are in the United States, and that the principal seaport of the system is also in the United States.

At page 91 of the report of Mr. Smith, he says that with private ownership the Government of Canada has had one mile of railroad built, equipped and in operation for $30,000. That is the Government aid which was given to our railroads—$30,000 a mile to private enterprise. That seems to be a reasonable price, and he believes that the country got full value at that price. Then he says that he does not think government ownership is workable here. He believes that private enterprise has the greatest initiative. If you want an instance of initiative, read the life of James J. Hill, and you will see what he did before he built a branch line. The book is well worth reading. I think if honourable gentlemen read the life of James J. Hill they would be more inclined to favour private ownership as against government ownership. Mr. Smith says there is the energy of the private concern; and, last of all, there is the private capital which the people in control safeguard jealously . These are fundamental principles—initiative, energy, and capital, found under private ownership. Does any honourable gentleman think that on a Saturday afternoon any government employee is going to solicit freight for a Government road? Do you think a government employee is going to exert himself? Besides that, there is another objection, the Government will not pay the price to get good men What do you think was the salary of Lord Shaughnessy, when he was president and manager of the Canadian Pacific railway, or what is the present salary of E. W. Beatty, as president of the Canadian Pacific railway? Do you think the Government would pay for the services of men of that calibre? No. When we gave $25,000 to Mr. Gutelius we thought we were giving a very large sum of money. But there are understrappers in the employ of many railways in America who are receiving that much, and I know of corporations that give twice as much to their managers.

Mr. Smith winds up by saying that he believes that the best thing to be done would be to nurse for a while those railroads that need nursing until they have passed over a certain period. It might take some time, but he believes that ultimately they would come out all right. Now, Mr. Smith was the Chairman of that Commission, and does it not appear to you as strange that the Chairman of the Commission should have to make a separate report, and that Sir Henry Drayton would sign a report made with a man who does not know the ground at all, and who only came in during the last days of the inquiry? He put his name to the report, and perhaps he had good reason for doing so. But I will say for Sir Henry's credit that he did not want to take the money tendered him for the preparation of the report. He was tendered $15,000, but returned the money. I admire him for that. I do not know whether he ever placed a value on the report. I do not think he did. So much for that part of the subject.

I took some trouble to clip extracts from newspapers, but I am not going to take the time of this House to read any one of them, because I know it is very disagreeable to honourable members to have to listen to these long extracts when they can read them for themselves. These clippings are all from papers friendly to the Government. They are all among the very best Conservative and Unionist papers in the country. I brought these clippings here and honourable gentlemen can verify any statement I make by reference to them.

I will take first the Montreal Gazette. I need not tell you what I think about that paper, for I have repeatedly stated in this House that I believe it to be the best paper in Canada. If there is any better newspaper, I would like some honourable gentleman to name it. The first reason given by the Government for buying the Grand Trunk is in order to link up their system with the other systems so that they may have the use of the terminals. They are very fond of linking up. We have heard that story before, and it is not worth telling. There is no necessity for this action at all. That linking up can be done and is being done, as the Government is aware. A traffic arrangement is working now. Fifteen years ago, or thereabouts, the Intercolonial railway was brought to Montreal, a traffic arrangement was made with the Grand Trunk, and today, honourable gentlemen—I do not know why this was not mentioned before—today the Grand Trunk railway cannot accept a ton of freight from the great province of Ontario and route it east of Montreal except by the Intercolonial railway. Nobody is ignorant of that; all the shippers are aware of it.

As to traffic arrangements, the various American companies will continue to maintain their identity. A traffic arrangement would be much better for Canada, because under it we would not be obliged to assume the obligations and liabilities of the Grand Trunk throughout the length and breadth of the land, from Chicago to Portland. But if we take over the Grand Trunk system, as this Government cannot fail while there is a dollar to be got from the taxpayers, we forego any right we have to the appointment of a receiver for these railroads. A private company is under a limited liability. If you hold stock in a private concern, you may lose the stock, but your responsibility does not extend beyond that. But Canada's liability is unlimited. No matter how badly this affair may go in the future, our liability is unlimited. And remember, we have children and grandchildren who will live to see the results of this undertaking, and will wonder why we entertained for one moment such a proposition. We can never go into a receivership, unless, forsooth, Canada becomes bankrupt; and that will never happen, I hope. But we are in a fair way to bankruptcy, I must say.

And if the undertaking turned out well in Canada, how about the United States? For instance, a great deal of litigation will be inevitable in the United States. There are in that country thirty corporations included in the Grand Trunk system. For all this litigation you will have to employ American lawyers, and all your cases must be tried under American law. The jury may be composed of some persons who were our enemies not long ago, and of some others who would like to see a republic declared in the British Empire. If you have such persons on the jury when, in the name of His Majesty King George, you are suing for your rights in the United States, I would like to ask any member of this honourable House, will you have a very sympathetic hearing from that jury? Canadians who have had to prosecute cases in the United States, know what kind of justice they get there. I know of cases in which very scant justice was meted out. The plaintiff if he is a foreigner, has a very poor lookout.

"But," it is said, "the Government will not have the lines in its own name; they will be in the name of a company; in fact, each company will keep its name; the property will be in trust, as it were." That does not go in the United States at all. The authorities in that country want to know who stand to make or to lose by a transaction, and those who stand to make or to lose by it are the persons they consider. You cannot go before a United States court as a trustee without having to divulge the names of those interested. I have this from railroad authorities who are very near the Grand Trunk. They have told me that immediately the Canadian Government started to operate in the United States they would be asked: "How much money have you invested? When did you acquire this property? Who are your shareholders? Who owns the property? The Government of Canada? Then the Government of Canada is here as the owner of this railway system, and will be treated as such."

Now I come to the so-called four per cent guaranteed stock. That is the tragedy of the whole thing. Is there a man in this House who can tell me by whom that stock is guaranteed? "Guaranteed" is a catch-word. It was never guaranteed by anybody—not by this Government; not by the Imperial Government. The Grand Trunk Company had so many preference shares, first, second and third, besides the common stock, that they had to find some new word for something else, and they said, "We will call this guaranteed stock." It is simply stock that has priority over some other stock, and the "guarantee" is that if they make the money, and if they have the money, they are going to pay a dividend, and they will pay the holders of that guaranteed stock before they pay the others. That is the kind of guarantee it is. For the last two years they have not paid one cent. Nobody can deny that statement. And what are we going to do? We are going to pay four per cent on par for that stock. Four per cent on par on stock that was on the market at 45 cents on the dollar! Do you know what that means? It means a revenue of nine per cent to the holders. If any one of us had bought 100 shares of that so-called guaranteed stock, he would have had to pay $4,500 for them. And what income would he get? He would get $400 on the $4,500 he had invested. That makes nine per cent, or, to be absolutely correct, 8.88 per cent. Why should we be so generous? We do not owe them a cent, yet we are going to give them almost 9 per cent on their money. They have fallen down on their bargain. Many persons have fallen down in a similar way. Many banks have done so—the Farmers' Bank, the Bank of St. Hyacinthe, and others. And this money will not even be spent in Canada. The holders of that stock live on the other side of the water, and our good money will go across the Atlantic to those persons, to whom we do not owe one cent!

But I will tell you how we in this Senate might do some good for the country. We could play a great joke on the speculators who have that stock. It would be the most severe joke that could be played on them. We could force down the price of that stock by voting against this measure, and as soon as it went down we could form a little syndicate. I see my honourable friends from Rigaud, De Salaberry and Alma. A few of us could then buy in that stock. I have always considered the honourable leader of this House a very dear friend of mine, and I would like very much to ask him why, if he knew about this, he didn't give me an inkling of it so that I might get into it. Why not let the Senate get into it too? Then the Senate syndicate, having got this money, could hand it back to the taxpayers of Canada, because next year, if the Government come with the same proposition, that stock would be worth 90 and we would have made 100 per cent on our money. If we had bought up, say, the £12,500,000 of the stock, we would have had to put up only a portion of that amount. The Montreal Gazette says there would be an appreciation of $20,000,000 or $26,000,000. Then we could go to the Canadian people and say: "See what the Senate has done for you: instead of allowing the stock-brokers to make money on this transaction, a committee of the Senate has made the deal. We do not want to profit by it, and we now hand back to you the profits." If we did that there would be statues erected in our honour in all our native cities, and we should be hailed as the greatest public benefactors that ever were in Canada. Nobody would talk then of abolishing the Senate—not even the Manitoba Free Press, which says that if we vote down this measure the Senate will be abolished. The Manitoba Free Press is trying to frighten us. I see the honourable gentleman from Winnipeg (Hon. Mr. McMeans) laughing. I do not know whether he has read the Manitoba Free Press or not. It was a gentleman from Manitoba who drew my attention to it. I wonder who owns the Manitoba Free Press. If there is any honourable gentleman here who can tell me who owns it, I will sit down and wait until I hear the information.

Hon. Mr. CROSBY: You know everything yourself.

Hon. Mr. CASGRAIN: Oh, well, the honourable gentleman from down by the sea would not know about that. There are many things he would not know about.

The Gazette says the persons who hold that four per cent so-called guaranteed stock are making between $20,000,000 and $26,000,000 of profit. It is a very questionable thing, says the Montreal Gazette. These things are stated by the Montreal Gazette or some other Conservative paper, and I have taken care not to state them as my own opinion. The Gazette says it is a nice plum to be divided. Now, who is going to get that plum? It goes on to say that there is $175,000,000 of common and preferred stock, etc., which, according to the market value on the particular date that

this article was written, was worth about $30,000,000. Now a board of arbitration is to be appointed to decide between that market value of $30,000,000 and the $175,000,000, and the Montreal Gazette is horrified at the idea that the future financial welfare of the Canadian people is to be gambled with in a wholesale manner. These are the words of the Gazette: "in a wholesale manner."

Now, what about the arbitrators who are to be appointed? I was glad to learn from what was stated in another place that the Government have succeeded in getting Hon. Judge Cassels. I would have liked to see associated with him Judge Audette. I think that experts who have been before his court will agree that he is a very hard man to get money from. Who are the other two arbitrators to be? They will be the majority of the arbitrators. How are the arbitrators to be appointed? One by the Grand Trunk. Do you think he is going to depreciate those shares? The other arbitrator will be appointed by the very persons who are putting this deal through to-day. Those are to be the two arbitrators. Now, is it not playing with loaded dice to appoint two representatives of those who are putting the deal through and to place Judge Cassels between them? They are a majority without Judge Cassels. I think this is the greatest invasion of the treasury that we have seen for some time.

Who would have thought a few years ago that the old Grand Trunk Company, which has been in existence for 65 years, would be wiped out and disappear? Here is a company more deeply rooted in Canadian soil than any other enterprise in Canada, unless perhaps the Bank of Montreal or the Seminary of Montreal, or some other such institution. Apart from those, I think the Grand Trunk is the oldest money institution in Canada. The Grand Trunk has given good service. It may surprise honourable gentlemen in this House to learn, first, that the Grand Trunk has more cars per mile than the Canadian Pacific railway; also—I have heard this for the last ten years from transportation people and shippers—that the Grand Trunk railway can handle its freight better than the Canadian Pacific railway. When shippers have the option between the two railroads they choose the Grand Trunk every time without solicitation. I would like to have inquiry made of shippers, not only in Ontario but in other parts of the country. The Grand Trunk has the Canadian Pacific railway beaten in respect of the handling of freight. The transportation of passengers is of course a different matter. But in the railway business freight is the more important. For every dollar that a railroad receives from passengers it receives two dollars for freight. Consequently the Grand Trunk is 100 per cent better managed than the other road, to put the estimate on a money basis.

It is claimed that the Government of this country, or any commission that they may appoint, will operate the road better than the Canadian Pacific is operated which has always been held up, even as it was yesterday, by the Minister of Labour as a grand institution, one of the best. Yet to-day the Grand Trunk is handling its freight better than the Canadian Pacific. The Government are very ambitious if they think they can do better than the Grand Trunk is doing to-day in handling freight.

To see that old company disappear is, I say, a national loss. It was the pioneer company of Canada, and it has an identity of its own. Then there is the good-will of that company, with its old employees who know exactly what to do with the business. Why, it has so grown up with the country that in many instances the sons have succeeded the fathers. All that will be wiped out: the old Grand Trunk will be merged into the so-called National railway. The Grand Trunk will disappear, as far as Canada is concerned. In the United States it would of course hardly do to call it the National railway, because it would not be a United States Government railway. And we are going to be liable for $707,000,000, as the honourable member from North Bay (Hon. Mr. Gordon) said last night about $535,000,000 in bonds, debentures, and so on, and the balance in stocks. The Minister of Railways put down the bonds on which fixed charges will be paid at $540,000,000. Bear in mind, hon. gentlemen, that we will never make the interest on $540,000,000 out of that system; and yet above all that they want us to pay dividends. Heretofore the shareholders only got their dividends when the railway had earned them; but now, whether the railway earns them or not we have to take the money from the taxpayers and hand it over to them. If I had anything to say in this matter, I should make this proposition to the Grand Trunk shareholders, who are at our mercy: "We will take your property, and we will agree that for every dollar we make in dividends we will give you two dollars." Would not that be fair? But they would not accept that offer.

Canada is loaded up with a terrible debt, and public ownership will only increase it. Public ownership is not an experiment. How often has it been said during the last fifty years that the Intercolonial railway has never paid a cent. And when betterments were required, what then? Allusion was made last night to the late Mr. Blair. I remember when he went to the United States to buy locomotives, and what was he to buy them with? It was out of the money of the taxpayers, not out of the earnings of the road. Add up the receipts on one side, and the expenditures on the other, without allowing a cent for principal, and you will find that the cost of operation of the Intercolonial has been more than the revenue.

Government operation of railways in the United States has been like a comic opera. That country, under private enterprise, had the finest railroad system in the world. What has happened under government operation? Here is a book entitled: "The Extension of Tenure of Government Control of Railroads: Hearing before the Inter-state Commerce Committee of the United States Senate." I have taken the trouble to go through a great part of this book. The railroads of the United States under government operation are losing no less than $1,500,000 a day, and the authorities are devising means of handing them back to the corporations; but the Government has spent so much on those roads, increasing the capital debt to such an extent, that the owners say: "We do not want to take them back unless you give us what you have spent on them. It has cost you twice what it would have cost us, and, besides that, more than 50 per cent of the usefulness of that expenditure has gone. Therefore we do not want to add that to our debt: we want you to pay it yourself."

In Great Britain government operation has not been a comic opera; it has been a tragedy. It has involved the loss of lives. Why did that big strike take place in England? Why could it not be stopped? Before the Government took over the railways the employees were subject to the various private companies, and the Government of King George stood between the two parties and saw that justice was done to both sides. But when the Government took the place of the owners, the employees rose up and there was almost a revolution in the land. The strike was not against the owners: it was against the Government of His Majesty. That cannot be denied. And now it is proposed that Canada should go into this thing, and month after month run million after million behind.

I see some senators from the West who were not here this morning when I was speaking. I am glad to see them, because the people of the West are those most affected, as they are the farthest from the seaboard. I have shown you that, according to the bluebook, the rates in Australia for similar services are twice as much as on this continent. They have government operation there. You cannot expect to do better. They have a milder climate than we have, no snow, no heaving of the track, no frost, and so on; yet, notwithstanding all that, in Australia people have to pay $2 for services that here cost $1. Honourable gentlemen from the Northwest, when you go back to your various homes and tell the people that we are going to have government ownership, and that they will have to pay twice the present rates—and I would not say that unless I believed it to be absolutely true—what is going to happen? What are they going to get for a bushel of wheat—for the price of wheat is fixed in Liverpool? There is where you have to compete—in the world's market. You have to compete with America, Russia, Argentina. There is a crop somewhere every month of the year, and you will have to meet the price fixed in Liverpool; and if it now costs you 35 cents a bushel to get your wheat across, you will then have to pay—not quite 70 cents, because the ocean rate will not increase; but you will have to pay more, and you will not be able to blame any one but yourselves. If you vote for this measure you cannot expect me to help you out. I am giving you warning.

Hon. Mr. McMEANS: Will the honourable gentleman explain to me why, with a privately-owned railway, the Canadian Pacific, the rate on wheat was something like 14 cent per cwt., before the Manitoba Government took over the Northern Pacific railway and made the Canadian Pacific reduce the price 11 cents per cwt.?

Hon. Mr. CASGRAIN: If I had paid the honourable gentleman to ask a question, he could not have asked a better one. The Canadian Pacific was given by your own friends the right to charge anything it liked. They had a monopoly, it was in their contract.

Hon. Mr. CROSBY: Do you want to do away with the Transcontinental and give them another monopoly?

Hon. Mr. CASGRAIN: The honourable gentleman knows that the minute the Rail-

way Commission came into being, and after James J. Hill extended his railway into Manitoba they agreed to give up four or five years of their monopoly. They were given a monopoly and could charge what they liked. The other day I asked how much subsidy they had got, and I was informed that they had got $31,000,000. From this report it would seem that they got some $350,000,000.

Hon. Mr. McMEANS: I want to make an explanation to the honourable gentleman, because I think he has been fair; but I think he lacks this information. Let me inform the honourable gentleman that, as a matter of fact, it was on account of the local Government of Manitoba leasing the Northern Pacific lines to the Canadian Northern.

Hon. Mr. CASGRAIN: James J. Hill?

Hon. Mr. McMEANS: They leased those lines from the Northern Pacific and turned them over to the Canadian Northern on the condition that the rate on wheat should be reduced ten per cent per cwt. The Canadian Pacific at that time was charging 14 cents per cwt. The peculiarity of it was that this rate only existed in the portion of the country through which the Canadian Northern railway extended. The Canadian Pacific, in order to meet that rate, came to the Government and said: "It is pretty small; make the rate 11 cents, and we will extend it throughout the province." Therefore the Government enforced the rate, reducing it to 11 cents, and millions were saved to the farmers.

Hon. Mr. CASGRAIN: That shows exactly what I mean. Who was it that gave the 11 cent rate? You say it was the Canadian Pacific railway, a private corporation.

Hon. Mr. McMEANS: They were compelled to do so.

Hon. Mr. CASGRAIN: By the Railway Commission.

Hon. Mr. McMEANS: There was no Railway Commission then.

Hon. Mr. CASGRAIN: They were compelled by the Government. Before the Railway Commission was established there was a Committee of the Privy Council that regulated the rates.

Hon. Mr. McMEANS: No.

Hon. Mr. CASGRAIN: I leave it to the leader of the Government. There was a Committee of the Privy Council that dealt with representations asking for redress, but it took so much time that the Railway Commission was established. That was done under the Laurier Government about 1904.

The rates have to be sufficient to pay for the operation of the roads. After all, if you want equitable taxation, those who use the roads should pay for them. No one can deny that proposition. Therefore if the rates are not sufficient, they have to be raised; otherwise you are going to have to tax the whole of the people for the benefit of some of the people. Some of the people benefit by the low rates, but if you have to tax the whole of the people in order to give them, that is not fair. Then there are always regulations restricting the profits of the roads, but there is no restriction of the losses.

I have already said in this House that the time was sure to come when everybody would want lower railway rates and the employees would want higher wages. Now we have arrived at the point where the railways have to pay much more for wages and also much more for materials. In these respects the railways cannot go very much further. These unfavourable conditions might be avoided by a plain every-day traffic arrangement. What takes place on the other side of the line? In the book to which I have referred you will find that they have divided the country into zones. They do not need to have one railway running right through from New York to San Francisco. In travelling from one railroad to another in a pullman car you do not need to change cars; they do not even change the porter. The same porter serves you right across the continent.

Here I may pause for a moment to say something about centralization. Any one who studies thoroughly the situation will find that centralization does not work. One central office for the National railways will not work. In the United States, as I have said, they have zones. They have a zone in the North another in the East, several in the Middle States, others in the West. They have these different zones because emergencies constantly occur and have to be attended to at once.

The Quebec Chronicle, one of the strongest friends this Government has ever had, and one which stood by them when they had very few friends in Quebec, has an article headed "Stop, look, and listen." The Quebec Chronicle says that the Government will lose the elections and that it would be better to have a bankrupt Grand Trunk Railway than a bankrupt Canada. The Chronicle goes on to point out that this measure will add to the public debt of Canada half a billion dollars of liabilities. The honourable

member for the Gulf (Hon. Mr. l'Espérance) knows the Quebec Chronicle and can verify what I say. His own organ says that this scheme will add from $25,000,000 to $30,000,000 a year to the expenses.

The public debt of Canada was stated yesterday to be about $2,000,000,000. According to the reports, and according to the speech of the ex-Minister of Finance, we are going to be behind during the current year to the extent of $500,000,000. What about the adjustment of war claims with England? I have heard that the claim of England against Canada amounts to $425,000,000. I do not know how that claim is going to be adjusted. No one has spoken about that; but we shall have to meet it, and I think that Canada will honour her agreement to do so. I hope, however, that Canada has a contra claim. We are not going to get a share of the German indemnity, and we have to pay England $425,000,000. When you recollect that in 1914 the public debt was not $400,000,000—according to Sir Thomas White, it was only $335,000,000—and when you consider what the public debt is to-day, why should you want to enrich the Grand Trunk shareholders? They have been accustomed to go without dividends. Then why should we pay them dividends? The Quebec Chronicle is not in favour of paying such dividends at all.

I observe that in another place a plea was made for the poor widows and orphans among the Grand Trunk shareholders. Some of them may have this guaranteed stock; but, after all, there would only be a limited number of them, whereas in Canada, if this scheme goes through, every widow and every orphan will have to pay a tax to make up the money required.

It is said that we have to buy our experience of public ownership. I thought that we had bought our experience of public ownership from the Intercolonial railway, and that we had bought our experience also since we took over the National railways. The honourable member for Nipissing (Hon. Mr. Gordon) says that the amount we shall have to pay for the pleasure of masquerading as railway owners will be $85,000,000 for last year. I asked a question on this point, but in the answer there were so many figures that I could not add them all up. I believe the honourable gentleman's statement is very moderate. That amount is for betterments and improvements, to meet payments coming due, and so on; but the money has to be found.

The Standard, a big weekly newspaper, says that we should sell the National railways to a syndicate, and that the sale should be made by the Exchequer Court. I think the idea is a very good one. A most valuable law has been placed on the statute book to meet the case of insolvent railways, and if the sale were made by the Exchequer Court a clause could be put in the agreement to the effect that the Canadian Pacific Railway Company must not buy it. Knowing that company to be composed of smart business men, however, I know that they have no idea of buying the Grand Trunk railway, because they have no use for it. The Canadian Pacific railway goes wherever the Grand Trunk goes and is quite satisfied to stay where it is.

I wish to pay my respects to that able writer, Mr. R. S. White, editor of the Montreal Gazette, who was the member for Carleton for many years. I do not suppose there is a more able writer in Canada, and I do not suppose that the present Government have a better friend from ocean to ocean than the gentleman who is commonly called Bob White. What he says shows that he possesses a thorough knowledge of the conditions. The Gazette of the 24th October asks: Why was the Board of Trade of Montreal heard in camera; was the case of the Government too bad for the light of day to be cast upon it; was their case so weak that it could not be placed before the public? The Gazette blames both parties, the Liberal party and the Conservative party, for bringing about duplication and generally making a mess of the railway situation. Then it winds up by asking: "But can this Government manage any better?" Then it declares that the Board of Trade of Montreal should not have been treated with the contempt of silence, but should have been answered. The Gazette of the 4th November refers to the 1,665 miles of Grand Trunk railway lines in the United States. It estimates the liabilities of these lines and says that we must I assume them all. It goes on to say that we shall have to help those railways whether we like it or not, and whether they have deficits or not.

I have here a statement of accounts of the Grand Trunk Railway Company for the year ending 31st December, 1918. It is the official report issued to the shareholders, and it shows the deficits on those American lines and there is a great number of them. The Gazette asks: "Because there is money due by the Grand Trunk on account of its guarantees on the Grand Trunk Pacific, how is it going to help the country to take over the Grand Trunk itself? Then it goes on to show that in the year 1918 the total surplus

of the Grand Trunk was only $8,760, while the Grand Trunk Pacific deficit was over $10,000,000. The Grand Trunk paid no dividend in either 1917 or 1918. How are you going to pay $2,500,000 on the four per cent guaranteed stock when you have only a surplus of $8,760? Talk about multiplication of the loaves and fishes; how can you possibly pay that amount out of a surplus of $8,760? You will have to turn to the taxpayers of the country to enable you to do it. That is only on the four per cent guaranteed stock on which you say you are going to pay, arbitration or no arbitration. Then you will have to pay four per cent on whatever amount the arbitration determines. All that has to come out of the magnificent sum of $8,760 which was the last surplus of the Grand Trunk. You will certainly have to get a lot of business to pay those dividends.

Then the Montreal Gazette says that the Canadian Government, in using the United States lines, will endanger the amity existing between the two countries. There has been friction at different times. When friction occurs between ordinary people it can be settled, but friction between countries cannot be settled so easily. Remember that any case we may take to the United States must be put through the British Ambassador, because we have not yet declared our independence and are not recognized at Washington as a nation. When we sent Sir Douglas Hazen there he was promptly told that there was only one ambassador. We have therefore no way of presenting any case to the United States Government except through the British Ambassador. It is said that we can surely run a railway there because the United States Government has run a railway in Panama; but that is a very different case. The United States Government has 110,000,000 people at its back and can do pretty much as it likes with a little country like Panama. In tne whole world there are really only eight big nations. There are fifty-two countries which are supposed to be independent, but only eight are really independent. The others are independent only so far as their big neighbours allow them to be independent. Do you think that Canada could stand up against the United States and say: "We will run our railway as we like and do as we please?" Not at all, for you will be subject to the Inter-state Commission, and when you receive an order from that commission, or from the United States Government you will have to obey. For instance, they will not allow level crossings in any city in the United States. I know from the officials who undertook the work that the Grand Trunk Railway Company had to keep a "lobby" in every state legislature. They said: "Here are our returns; we are losing money on this property; we are not making anything; we cannot do it; we shall be bankrupt. It would be a nice thing to find the Canadian Government going to the United States and lobbying every small state legislature, in order to be allowed to exist in the railway business. It would be a most humiliating position for any government. Some of these American lines, subsidiaries of the Grand Trunk, lost last year no less than $2,600,000. What does that mean? It means that we shall have to take the money out of the public chest of Canada, and that chest does not create money, but only receives it from the taxpayer. We shall have to take out of that public chest and pay to the United States, who have more money than we have, $2,600,000 for the pleasure of saying: "We own lines in the United States."

I have here a statement of the average losses on those lines during the last seven years. The Central Vermont lost $11,800 a year. The Atlantic and St. Lawrence lost on an average $597,653 a year. You may say: "What is the Atlantic and St. Lawrence?" I will tell you. It is a through line from Montreal to Portland. That line lost a year ago one million and a quarter. And now Canada is going to assume these losses—for what? To build up the port of Portland, a foreign port, as against our own ports of Halifax and at. John. I say we should discard that piece of railway. It would pay the Government in this bargain to say to the Grand Trunk: "Take your line from Montreal to Portland; we do not want that at all; it is a white elephant to us; we are not going to route freight that way." The Minister of Railways said he would dismiss any employee who routed freight that way. I do not know about that. How will the Minister of Railways dismiss any employee if this matter is taken out of politics? What will he have to say about it? The Detroit and Milwaukee lost $259,654. The Grand Trunk Western lost $406,168. The Toledo, Saginaw and Muskegon railway lost $77,939. The bonds on the American lines amount to $42,000,000, on which we have to make good all the deficits I have just referred to, and also to pay the coupons on the bonds. The yearly deficit is $1,353,000. We have, as guarantors, to pay the cost, run all the risks, and go it blind, without even knowing where some of these lines are.

I suppose some honourable gentlemen would be hard pressed if they were asked to state where these railways are situated. I have had to study the map to learn where they are. The railway from Detroit to Grand Haven is continued from Grand Haven to Milwaukee by ferry. This is one of the oldest roads, built by the Grand Trunk when there was a lot of pine in the country. It was built to take out the pine of Michigan, and when it reached New Haven they thought they might as well continue it to Milwaukee, and so they built a railway ferry, one of the first established. It is said these roads may be feeders; but a fundamental principle in railroading is that you should not retain a department or a branch that does not pay its way. But these feeders are all foreign roads. The Montreal and Portland, which shows that deficit of a million and a quarter, brings our trade to an American seaport. The honourable member from Montreal (Hon. Mr. White) tells us how much we are losing by building up this seaport when we have our own Canadian ports. Any one who has seen the great improvements going on at Halifax, and also at St. John, at a cost of many millions must realize that this is a great pity. The Scientific American says Halifax is one of the best ports in the country. Will all these improvements in our own Canadian ports have to lie idle in order that we may build up an American port? What has become of the cry: "No truck with the Yankees?" If you take the traffic away from Halifax there will be loud complaints. These could be avoided by proper traffic arrangements.

I will pass on to another and different subject which is dealt with by the Montreal Board of Trade. I will read certain views which are voiced by the Merchants' Association of New York:

Whereas, by reason of conditions inseparable from our form of government, governmental operation of economic undertakings, whether Federal, State or Municipal, is characterized by:

Extreme delays and inertia, vacillation, hesitancy and inconsistency in matters of policy;

Wasteful outlays in response to sectional demands;

Insufficient provision of funds when needed for necessary purposes;

Absence of close and harmonious co-operation between the legislative directorate and the executive officials;

Insecurity of tenure in the higher places and lack of self-interest as an incentive;

Frequent change of higher officials and the injection into office of new and untried men;

Unsuitable methods of selecting executive officials whereby such officials are not often properly qualified by expert knowledge, previous training, experience or proved capacity;

Hampering conditions imposed by law upon executives whereby they are deprived of necessary control of operation and of their subordinates; and

Whereas, from these conditions naturally result imperfect co-ordination, lack of qualified management, bad operating methods, and general waste and inefficiency; both the methods and the results being diametrically opposite to those which prevail in properly managed business undertakings, which latter are governed solely by economic considerations, and require for their success close and friendly relations between the directorate and the officials; the prompt provision of funds as required by the economic needs of the business; high capacity, long experience and special training on the part of the executive officials, assured tenure during efficiency, self-interest, and the possession by such officials of a very large degree of discretion as to outlays and operating details;

Now, therefore be it

Resolved, by the Merchants' Association of New York that governmental methods in the conduct of business affairs are inherently defective by reason of the fundamental restrictions imposed by our form of government; and that such methods are often inefficient and wasteful and therefore unsuited to the conduct of business undertakings; And be it further

Resolved, that The Merchants' Association of New York is opposed to government ownership and operation of railroads, telephones, telegraphs, and other public utilities, believing that such utilities are far more effectively operated under private ownership, subject to public regulation, than would be possible under governmental ownership and operation, and that it would be a national calamity to subject these instruments, indispensable to the welfare of the whole country to the hampering, inefficient and wasteful methods inseparable from governmental undertakings.

The alternative that was proposed by the Board of Trade of Montreal was received with the contempt of silence. The Montreal Gazette, which refers to this matter, says it will only be a poor compensation to the taxpayers and electors of this country to see the disappearance of the authors of this commercial tragedy from political life. What interest suffers if this matter is deferred? Some honourable gentlemen talk about traffic arrangements of the Intercolonial railway working perfectly well. They say the Grand Trunk Pacific has failed. Well, if it has failed, why should the Grand Trunk Company, with its obligation for the Grand Trunk Pacific undischarged, be in a position to dictate terms to the Government of Canada? I do not think any one can answer that question. The stock argument has been used all through this discussion that the shareholders of the Grand Trunk will not agree, and that then we will show them the agreement and ask them to accept it. They say they have nothing, that they are bankrupt, that they cannot discharge their obligation; and yet they are to be placed ahead of the taxpayers ofthis country. The taxpayers will

not be shown this agreement, but it will be taken across the seas and shown to a lot of Grand Trunk shareholders. All the widows and orphans over there will see it before the taxpayers of Canada have an opportunity of seeing it. Why should the Canadian people not be placed on a par with a lot of bankrupt Grand Trunk shareholders? If they tell us they will not agree we should say: "We will make you agree, and if you do not you will have to accept a receivership." The Grand Trunk will not bring one sixpence to help to pay the debt of the Grand Trunk Pacific, but the Government will have that charge fastened on them permanently. Canada never can be relieved from it.

The Montreal Star of November 1st published an article entitled "Canadian Pacific Railway Nightmare." The Government use the stock argument that the Canadian Pacific railway is going to gobble up the Grand Trunk. But the Canadian Pacific railway managers are too good business men to think of such a thing. They would not buy a dead horse which would bring them no revenue. The Canadian Pacific Railway Company is a big, powerful company, and it has always tried to do what was right. Its success is so much linked up with the success of Canada it has always tried to do what would inure to the prosperity of Canada, knowing that if the Canadian Pacific built up the country it was not so much for Canada's benefit as for the benefit of the Canadian Pacific railway. They were well aware that any benefit conferred upon their customers, the people of Canada, would inure to their own benefit, and that was what they had primarily in mind. I have the word of Sir William Van Horne for that He was advocating a certain policy which was afterwards adopted. I said, "But it is not in the interest of your railway." He said, "What is in the interest of Canada is in the interest of my railroad," and so it proved in the long run to be. I might give all the details of that matter, but it would take too much time.

The Gazette of November 1st, in answer to a correspondent from Cape Breton who wanted to know the truth, said that the total mileage was 8,173 miles; that there were two roads—the Grand Trunk and the Grand Trunk Pacific. The Grand Trunk guarantee is $97,000,000; the Dominion Government guaranteed $76,000,000; the Saskatchewan Government guaranteed $11,000,000, and Alberta $3,500,000. Honourable gentlemen will notice that the Government, in taking over the Grand Trunk, releases Saskatchewan from that $11,000,000 guarantee and Alberta from its guarantee of $3,500,000. The province of New Brunswick never guaranteed anything, yet it has been paying through the nose ever since. Likewise the provinces of Prince Edward Island and Quebec. It is unfair to those three provinces and against the spirit of Confederation for this Government, by relieving other provinces of their obligations, to penalize those provinces which have administered their affairs wisely and carefully. In the case of the Canadian Northern, the Government of Quebec did not give any guarantee, although Mackenzie and Mann had their lawyers interview Sir Lomer Gouin on the subject. The efforts of the lawyers made no difference: the Canadian Northern got no advantage from our province. And Quebec was not the only province that they did not prevail upon. I do not know why they did not prevail upon New Brunswick, but I think New Brunswick was pretty hard up and they thought it was no use to try. As for Prince Edward Island, they were not dealing with such small fry; they wanted a big fish like British Columbia, where they could get $60,000,000 at one stroke.

If the Government kept the Grand Trunk Pacific, they would accept no new liabilities. They should simply jog along with the Grand Trunk Pacific and leave the Grand Trunk alone. With a traffic arrangement the operations would continue very satisfactorily. However, if the Bill is going to pass, I think it would be well to do as is proposed in the amendment announced by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), namely, to limit the amount to be fixed by the arbitrators.

It has been referred to so often that I am almost ashamed to repeat it again—that on the 3rd of October Sir George Foster, in another place, said: "You may all go home, gentlemen, our work is all finished. We called you here for a certain purpose, and that has been fulfilled, so you may go home now." Some of them did go home, but were requested by telegraph to hurry back. But between the 3rd and the 6th of October, something happened; whether it was the vision of St. Paul on the road to Damascus or not I do not know. Somebody fell off his horse. Lo and behold, this Bill came before the House, although previously Sir George Foster had said: "It is all over: we will ring down the curtain." What happened? That is a secret of the gods and the Government. We do not know what happened. As the honourable gentleman from Alma (Hon. Mr. Foster) said last

night, the siren must have been singing. By this time the Montreal Gazette had become suspicious. It even points out very directly who the siren is, but I have been told not to mention the name. Nobody can guess. The Montreal Star says it is not enough to have the proposals ratified by the taxpayers, because by the time the taxpayers would be consulted these five commissioners would have so bedevilled the road, and it would be in such a state, that they would ratify anyway. I think the Montreal Star has that wrong.

The Inter-state Commerce Committee of the United States Senate, on the question of the extension of government control, point out—what is a very important thing if this Bill is going to pass—that direct government operation is much better than second-hand operation by a commission. I agree with that. I would rather have the hon. Mr. Reid, the present Minister of Railways, run the railroad than to have anybody appointed to run it for him. The representatives of the people hold him responsible, and Parliament could require an accounting from him if anything went wrong. The Committee of the United States Senate, as a result of the inquiry they made, are unanimously of the opinion that a secretary of transportation should be appointed if there is to be government control. They do not want such camouflage as the appointment of a commission with the statement that the railways are taken out of politics. They say the railways cannot be taken out of politics. They say the very warp and woof of their national life are politics. Then they go on to give the reasons why a secretary of transportation should be appointed.

Here we have a Minister of Railways; and, if the Government are going to run the railways, let them come out fairly and squarely and appoint the Minister of Railways to run them. Why hide behind a commission? Are they ashamed of what the commission is doing? Do they not know that the commissioners hold their position only by the good-will of the Minister of Railways? If there were a change of Government, how many members of that commission would remain in office, no matter what Government came into power? Do you think there would not be a change? Since the Minister of Railways is changed when there is a change of Government, why would not the commission be changed? When the Government and the Minister of Railways are changed the commission would go too. That is why it is better to have private ownership, with the security of tenure of office, rather than an untried, inexperienced commission.

Moreover, a commission has not the necessary authority to meet emergencies. The Minister of Railways sits with the Executive every day, and when an emergency arises the Minister of Railways can get the proper authority right from the source of power and can act immediately, whereas the commission, by the time they come to Ottawa and meet the Minister of Railways and he meets the Government, find that it is probably too late. So many matters arise from day to day that it is necessary to deal with them all promptly. The administration must be vested with full power, and that is possessed only by the Executive. Surely the people of Canada would not give absolute authority to an outside commission representing nobody but themselves.

Then, again, a commission lacks initiative.

If you read the life of James J. Hill you will see that he gives many reasons why a road should be under private ownership, so that every little detail may be attended to, and there may be the least possible interference. He says that frequent changes are very bad in railway administration. When the commissioners have just got into harness they may be changed, and untried men brought in to take their places, and it will require a long time to train the new men.

Another thing. You must get funds promptly in case of emergency, and a commission cannot get funds; it is only the Executive that can do so, or, in the United States, only the secretary of transportation, who sits day by day in council with the President of the United States. He can get the authority to raise the necessary money.

Then there must be a fixed policy. How can you have a fixed policy when, in the United States, governments come and go every four years? What would be the fixed policy to-day when there is a Democratic President and a Republican Congress? There would be pulling both ways at the same time. That shows the absurdity of this proposition in a democratic country. In the case of an autocratic country like Germany, where one man's will is law, it is all very well.

The United States under private enterprise have built up the greatest railway system in the world, comprising 250,000 miles, or, to be absolutely correct, 253,000 miles, enough to go ten times around the earth at the equator. Canada's 40,000 miles

of railway would go twice around the earth in the latitude of Ottawa.

I desire, in passing, to call the attention of honourable gentlemen to an appropriation made by the United States Government. Between the 1st of January, 1918, and the 10th of November, 1918, the day before the armistice was signed, the United States Government appropriated the huge sum of $1,175,000,000 for betterments, improvements, etc., on the railroads. After the armistice they stopped. And that sum the railroad companies are refusing to pay, because they say $800,000,000 was spent in war-time, when the cost of labour was high, and the expenditure is now of no use to the railroads.

Here is another most conclusive fact. The railways created by private enterprise in the United States have the lowest rates to be found in any country in the civilized world. That statement can be very easily verified. And while they have the lowest rates of transportation of any country in the world, the same railroads under private enterprise have paid the highest wages of any country in the civilized world, and have done all that on less capital than any other country in the world. What more could you want than that?

Time is going on, and I must cut short what I have to say. The people are commencing to realize what government operation means. Rates have increased in the United States, in some cases 100 per cent. Nobody can deny that. Passenger rates have increased 40 per cent and in some cases 100 per cent. There are no more commutations allowed for travelling in and out of the great centres in the United States. The people are commencing to see that government ownership is not what it was cracked up to be, because they have to pay 100 per cent more in fares. Moreover, notwithstanding the increased freight and passenger rates, the railways suffer a deficit of $1,500,000 per day. What will be the deficit in this country? On the guaranteed stock alone we agree to pay $2,500.000. What does that sum mean? It means $200,000 a month, or $50,000 a week, or $7,000 a day, which the taxpayers will have to provide. If our children ask us, "Why do you have to pay those taxes?" we must answer, "I do not know." "Did you have to pay it?" "No, we did not have to pay it." "Then why did you pay it?" "It was thought it would be well to provide for the widows and orphans in Great Britain." There must be a great many widows and orphans there. So we must continue indefinitely to pay at the rate of $7,000 a day if we take over the Grand Trunk guaranteed stock, though it can be bought to-day at 45 cents on the dollar. I say we should borrow the necessary money and buy it now, and thus save 55 cents on every dollar. That is the best way to buy it, if we are going to do anything with it.

In the United States at present less than 10 per cent of the farmers are in favour of government ownership. That is the sworn evidence.

I said that standardization was no good, and I will tell you why. Take locomotives, for instance. It may seem strange for you to hear that locomotives do not travel beyond their own lines. A mountain locomotive remains in the mountains; a locomotive that is built for easy grades and curves remains where there are easy grades and curves, so you cannot have standardization of locomotives. Among other things, some cars used in the south are of no use in the north, and vice versa.

Honourable gentlemen, you who, from time immemorial, constitute in the nation the assembly of the sages; you whom the fathers of the Canadian Confederation have created the censors of the House of Commons; you to whom they have entrusted the safe-keeping of the liberties and prerogatives of the people; you whose function is to put a brake on disastrous administration of Governments; you who have the power to repress abuses and stop malversation; you whom the people regard as the bulwark of justice against injustice, of prudence against aberration; you who are the authority without which no law can pass the last stage of parliamentary procedure: listen to the humble but mighty voice of the Canadian people begging you to postpone this Grand Trunk Acquisition Bill. It is your long career in business or in Parliament that gave you the honour of being summoned to the Senate. It is your experience that inspires your decisions, and your wisdom that directs your vote. Therefore it is to your experience and your wisdom that the nation makes its final appeal. Consider the frightful state of our national finances. Think of the unrest rampant in the country. Watch the attitude of the masses. Look into the future if this measure becomes law. Lean over the chasm thus created in our national treasury. Think of the amount of taxes necessary to fill even a small part of this new abyss, this unfathomed gulf. You have the power; exercise it as the fathers of Confederation dreamt that you should. You are the last

hope of the electorate; do not fail them. The fate of Canada is in your hands.

Hon. E. D. SMITH: Honourable gentlemen, I am sorry that I cannot bring to the discussion of this question the vast amount of knowledge of these matters that has been displayed by the honourable gentleman who has just taken his seat (Hon. Mr. Casgrain). But I will present the other side of the shield in the best way that I can.

One of the objections made to this Bill is that the public have not studied this question long enough. The amendment before the House asks for delay. This question has been before the people of Canada for at least two years in more or less concrete way, and for many years before that in a less concrete way. I have always taken a strong interest in public affairs, and in doing so I could not fail to see that this question was going to come up very shortly in a concrete way. I am sure that in a general way it has been considered by the great mass of the people of Canada who think of public affairs. I do not think there is an honourable gentleman in this House who has not thought seriously of this question, and who would not have been prepared before the debate started to vote one way or another upon it.

I came to the study of this question with a mind more or less biased against government ownership. During this debate we have heard a good many arguments against government ownership. Many of the speeches have been almost entirely devoted to showing that government ownership is not in the best interests of the people of the country. With these arguments, on general principles, I quite agree, but I wish to point out, as has been fairly pointed out by one or two of the speakers, that this is not a question of government ownership on general principles, but that it is only a detail. We are already government owners in a very large way. We already have about 15,000 miles of railway more than that under the control of any other organization in Canada. We are already the owners of this large mileage of railway, and we are already operating it. We have already in our possession, not only this large mileage, but a large part of it is unprofitable mileage. Now we have an opportunity, as I understand the question from the study which I have given to it, of buying one of the best roads in Canada at a very moderate cost.

After a study of the balance sheet, and the arguments that have been advanced from time to time since the debate started in the other House, I think that this is the best bargain and the only good bargain that a Government of Canada ever had an opportunity of making with the railways. We have made many bad bargains; we have made many unprofitable speculations; but this is a good one, and what I cannot understand is why gentlemen who supported those bad bargains are now opposing this good one.

The commencement of government ownership in Canada was the Intercolonial. That railroad was built, and the project gone into, not because the men who had charge of the public affairs of this country believed in government ownership, but because it was part of the pact of Confederation. The Intercolonial was a national road built for national purposes, and, whether it should be profitable or not was never thought of in the question. Situated as it is, it could scarcely be expected that it would be possible.

The next entry into public ownership, although not on a large scale, was when the various governments of Canada bought up many of the most unprofitable roads as feeders for the Intercolonial. Honourable gentlemen sitting on the other side of the House, as well as on this side, have voted time and again during the last fifty years for the acquisition of lines in Nova Scotia and New Brunswick that were ten times more unprofitable than the road that we are discussing to-day. That was the second stage.

The third stage was the construction of the National Transcontinental. The National Transcontinental project was entered into, not because it was expected—at any rate, by the best business men of the country—to be a possible commercial enterprise; it was built largely for political purposes. There is no question about that. The Grand Trunk itself did not want to be burdened with this line from Cochrane to Quebec, and from Quebec to Moncton. What they wanted was to build a line from North Bay to the prairies, and possibly later on to the coast. But they were driven into a proposition to lease a line, built by the Government, from Winnipeg to Quebec, and from Quebec to Moncton. The members in the province of Quebec demanded that this road should be built across the northern regions of Quebec, and said that unless that was done they would not vote for the Bill. As a result, the Government of the day at last consented to build that monument of folly, as it has often been

well called. The Maritime Province members then came forward, and presented their pistols at the head of the premier, and said, "Unless this line goes to the Maritime Provinces we will not support the Bill." I was glad that the honourable gentleman from De Lorimier (Hon. Mr. Dandurand) admitted that yesterday; therefore we are burdened with this railroad because of political reasons.

Then, in the course of time, we bought the Canadian Northern, and many honourable gentlemen on this side of the House, who at that time sat in the Senate, voted for the Bill and are opposing this one. To-day we have heard very good reasons given for that; it was during the war, and the war was the great issue, and honourable gentlemen voted for the Bill, though opposed to government ownership. I respect the argument, and am willing to grant that that influenced some of the gentlemen, but I think there were sound arguments aside from that altogether.

There was another road that I might mention—the Quebec and Saguenay. I am surprised to find gentlemen opposing this Bill who voted for the acquisition of the Quebec and Saguenay railway. I do not understand why any honourable gentleman should stand up in this House and vote for the acquisition of the Quebec and Saguenay railway, which always has been and always will be an exceedingly unprofitable and bad bargain, if ever a bad bargain was made, and now oppose this measure, which involves no loss to the treasury. I cannot, for instance, understand the attitude of the Montreal Star, which was quite agreeable that the Grand Trunk Pacific should be taken over. I have read an article which appeared in that paper. It was read in the other House and appears in Hansard, and though I have it here, it is not necessary to read it. They stated that they were quite satisfied and thought it was the proper thing for the Government to take over the Grand Trunk Pacific. Is it not astounding that those gentlemen who are to-day so virtuous in refusing to take over this splendid bargain, where we get so much more than a dollar's worth for every dollar paid out, were all willing to take over the Grand Trunk Pacific, with its losses of $10,000,000 a year, or the Canadian Northern, which was deeply in debt, or the Quebec and Saguenay, which was most unprofitable, or, honourable gentlemen, who were willing to build a line across the northern part of Canada, a line which could not be expected to pay for years to come. Where is the nigger in the fence? The acquisition of all these unprofitable roads was supported by honourable gentlemen who are opposing the acquisition of this road.

Here is an opportunity to buy a road that according to my judgment is a profitable road. Here is a road that never failed to pay until the last two years of the war, a road that never failed to pay dividends on the first, second and third preference stock, and the guaranteed stock. It is only the holders of the common stock who have failed to get any dividends for many long years. We are proposing to pay for this road a sum not greater than that on which it has earned dividends in the past, and which it would be earning to-day but for war conditions. War came on, and, due to the conditions of the war, all the railroads had to pay double wages, had to pay double for coal, double for oil, and for almost everything that they had to buy. If they wanted to repair an engine, or to buy new cars, they had to pay double. Under those circumstances, how could this road be expected to pay? In the United States the McAdoo award ordered wages that were double what they had been before and everything that goes into the cost of operating has doubled and the rates were raised only 40 per cent. The rates in Canada were raised months after this road ceased to pay, long after the rates ought to have been raised. First, they were raised 15 per cent; later they were raised 25 per cent. But this was long after the time when the raise was sufficient to meet increased expenses. Those two advances in the freight rate, after they were made, and amounting to 40 per cent, were not even then sufficient. After all, it is only a question of rates. But honourable gentlemen say that the failure of the roads in the United States was because of government ownership. The Grand Trunk railway was under private ownership. It did not pay. That is no argument against government ownership. Honourable gentlemen must go farther than that to find an argument against government ownership.

I claim that the purchase of the Grand Trunk is a good bargain, an excellent bargain. What are we paying for this road, and what are we getting? We have heard a good many different statements in this House. Some honourable gentlemen have confused the liabilities of the Grand Trunk and Grand Trunk Pacific with the liabilities that we will assume if we take over this road. Honourable gentlemen have said—it has been repeated over and over again—that the liabilities of the Grand

Trunk are $504,000,000, and then they add $216,000,000 for the Grand Trunk Pacific, making the immense sum of over $700,000,000. These are not the liabilities which we assume in taking over these roads. They are the liabilities of these companies to their stockholders, as well as to the public. These are two vastly different questions. For instance, there is the sum of $116,000,000 of common stock which we are not paying anything for, and yet honourable gentlemen get up here and tell us that we are assuming that liability.

Hon. Mr. CASGRAIN: Not in the $500,000,000.

Hon. Mr. SMITH: Yes.

Hon. Mr. CASGRAIN: In the $700,000,000.

Hon. Mr. SMITH: Here is the bluebook giving the various amounts which we are liable for, and I would like the honourable member to go over it with me and see how he makes up his $700,000,000. On page 38 we have the obligations which we assume. There is the funded debt, $173,558,554.

Hon. Sir JAMES LOUGHEED: The interest on which has always been paid.

Hon. Mr. SMITH: Yes, the interest on which has always been paid. Then we have equipment notes, $5,344,207; short date notes—I have added everything—$35,548,235; current liabilities, $22,801,474; guaranteed stock—I am assuming that the Government is going to pay for the guaranteed stock though I understand that an amendment is being brought before this House providing that it will be arbitrated—but assuming that we are going to pay for the guaranteed stock, the amount capitalized is $60,833,332. These are the gross liabilities which we have to assume, $298,085,792.

Hon .Mr. CASGRAIN: Look at page 26—total securities with public, $707,929,817.

Hon Mr. SMITH: I am speaking of the liabilities which the Government is going to assume. That is the only question with which we are concerned, the only question it is necessary for us to discuss. I would like the honourable gentleman to turn to page 38. There he will find set forth the liabilities of the Grand Trunk. There is $116,000,000 of common stock which we do not assume.

Hon. Mr. GORDON: The honourable gentleman is referring only to the Grand Trunk proper; he is not including the liabilities of the Grand Trunk Pacific?

Hon. Mr. SMITH: I will speak of that later. I am speaking of the Grand Trunk proper; we are not buying the Grand Trunk Pacific.

Hon. Mr. CASGRAIN: Who is going to pay for it?

Hon. Mr. SMITH: In the meantime, I would ask the honourable gentleman to turn to the blue-book and tell me if I am not right.

Hon. Mr. CASGRAIN: If you leave out the Grand Trunk Pacific, of course some one has to pay for it.

Hon. Mr. SMITH: Leaving out the Grand Trunk Pacific, the total liabilities of the Grand Trunk are $504,000,000; but we do not assume these liabilities. That is what the honourable gentleman does not seem to appreciate. We do not assume the $116,000,000 common stock; we do not assume the various preference stocks, amounting to $63,000,000. These are to be arbitrated.

I understand that an amendment is proposed by the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), but I do not know whether it is going to be accepted or not. I do not know whether this would be an opportune time for the leader of the Government to say whether it is to be accepted or not.

Hon. Sir JAMES LOUGHEED: In answer to my honourable friend, I may say that we are prepared to accept an amendment placing a maximum upon the award which shall be made by the arbitrators. As to what that amount will be, I am not at the moment prepared to say; but doubtless when we go into committee we will be able to arrive at a maximum amount which will be satisfactory to the judgment of the House. I now give that assurance to honourable gentlemen, so that when the Bill is to be read a second time, and the House votes upon the principle of the Bill, it will be on the understanding that the House will afterwards determine in Committee of the Whole what the maximum will be.

Hon. Mr. SMITH: That alters the situation to some extent. Possibly the guaranteed stock will be arbitrated; I am not sure about that—

Hon. Mr. GORDON: The guaranteed stock will be absolutely guaranteed if this agreement is carried out.

Hon. Mr. SMITH: Perhaps my honourable friend will bear with me for a mo-

ment. The amendment that is to be brought forward includes the arbitration of the guaranteed stock, as I understand it.

Hon. Mr GORDON: It does not include the guaranteed stock.

Hon. Mr. SMITH: The honourable member from Hamilton includes the guaranteed stock in the arbitration as well as the others.

Hon. Sir JAMES LOUGHEED: No. In order that what I have said may not be misinterpreted, permit me to say that my honourable friend from Hamilton has given notice of an amendment proposing to place a maximum upon the award which shall be made by the arbitrators. To that general principle the Government will assent. As to the amount, that will be determined in committee. A further proposal has been made, or, at least, I have heard it whispered, that notice will be given of a further amendment in Committee of the Whole to the effect that the guaranteed stock should be submitted to arbitration as well as the three preference issues. I am not committing the Government to the principle or policy of this proposed amendment. That does not interfere with the general principle which I have laid down that the House in Committee of the Whole shall take into consideration the fixing of a maximum amount which the award shall not exceed.

Hon. Mr. DANDURAND: For the preferred stock and the common stock, but not for the guaranteed stock?

Hon. Sir JAMES LOUGHEED: I am not discussing the details of this amendment; I am now dealing with the motion that a maximum shall be placed upon the award, and when we go into committee that will be discussed. The two features which I have mentioned will be discussed; but I am not prepared to say that the Government will commit itself to including the guaranteed stock in such an amendment. We will, however, accept the fixing of a maximum amount as regards the award.

Hon. Mr. SMITH: That amendment is as to the maximum amount that is to be fixed by the arbitrators for the preferred and common stock.

Hon. Mr. CASGRAIN: Yes; not the guaranteed.

Hon. Sir JAMES LOUGHEED: That is what it is at present. I will further qualify that: Honourable gentlemen have it in their own hands, when we go into Committee, to determine whether this motion or the other motion will prevail. All I desire to say is that when the division is taken on the principle of the Bill on the second reading, we commit ourselves to that general proposal. Then, if honourable gentlemen who fought for the principle of the Bill are not satisfied with the amendment proposed in Committee of the Whole, they are at liberty to pursue whatever course they wish.

Hon. Mr. SMITH: My argument is based upon the assumption of the payment of the guaranteed stock, $60,000,000, and that makes a total of the gross obligation of this Government of $298,085,792, against which we have various assets on the opposite side of the account.

On the opposite side of the account are the following items:

Outstanding traffic accounts..	$ 1,581,852
Other outstanding accounts. ..	43,838,831
T. S. & M. Bonds..	1,199,999
Other securities..	6,244,793
Traders sidings interest ry.. ..	1,158,363
	$54,023,838

But on the investigation of the largest item of outstanding accounts, $43,000,000, I find the various items, and amongst those items is one of $14,301,302, which the Grand Trunk Pacific owes to the Grand Trunk. Those $14,000,000 I am not assuming to have any value. Then, in addition, there are other items in the account which are doubtless of the same class.

Hon. Mr. CASGRAIN: Vermont Central.

Hon. Mr. SMITH: And therefore it is impossible for me, or anyone else in this Chamber, to estimate the value of this. I will take off another $10,000,000, in addition to the $14,301,302, making a total of $24,301,-302, leaving a balance of what it would be fair to estimate as good accounts of $29,-722,536. That, deducted from the gross liabilities, leaves a net liability of $268,382,-254 as the actual net liability assumed by the Government—the obligation which this country will assume on taking over this road, and it cannot be disputed.

Hon. Mr. CASGRAIN: What is that?

Hon. Mr. SMITH: $268,382,256. This corresponds almost exactly with the statement given by the Minister of Railways in the other House; but he arrived at his conclusion in a different way. He placed the amount at $266,000,000 while I have placed it at $268,000,000. He arrived at it by balancing the outstanding accounts on the credit side against the accounts on the debit side of the ledger which are payable

out of operating revenue, and by so doing he arrived at almost the same figure as I have by estimating the current accounts at $29,722,536. That makes the total cost to this country as I have stated, and there is no way of getting round it. You may talk about $500,000,000 or $700,000,000, but I have here the figures taken from the balance-sheets of the railway. These are the liabilities we assume. They are not the liabilities of the Grand Trunk railway; that is a totally different thing. Honourable gentlemen take not only the liabilities of the Grand Trunk, but the gross liabilities, allowing nothing for any assets, as the liability for which the Government will become liable, treating the common stock as though it were a liability which we are to assume.

Hon. Mr. GORDON: On page 40, they give the funded debt, bonds and debentures as $202,332,997, and the total held by the public as $448,828,755.

Hon. Mr. SMITH: It is not possible for me to take up now and analyze a page of figures which I have not examined; but at page 38 there is a financial balance sheet of the Grand Trunk Railway system as presented to this House in the blue-book.

Hon. Mr. GORDON: You said the figures were absolutely correct.

Hon. Mr. SMITH: They appear on page 38 and are absolutely correct. I ask honourable gentlemen to go over that bluebook with me and show me one that is incorrect.

Hon. Mr. GORDON: I am giving you one now.

Hon. Mr. SMITH: You are taking another page. The page you refer to is not the balance sheet of the Grand Trunk Railway. Surely the assets and liabilities of the Grand Trunk Railway as presented in the balance sheet should be the amount we should take into consideration. I defy the honourable gentleman to show a single dollar in that account that I have not taken into account that will be a liability of this Government. Now if we add to that amount, that $268,000,000—that is, not taking into account what the arbitrator's award would be, that is the amount of the arbitrator's award in excess of the two and a half million of interest upon the guaranteed stock, we will arrive at the total liability which the Government will assume. I understand the amendment which has been brought up and which will probably be accepted is about equal to an annual payment of about $4,332,000. If this is accepted, that will be the maximum, and if that maximum were added, it would add $45,500,000, making a total maximum possible liability under the arbitrator's award, if this amendment is accepted, of $313,218,000, or $92,452 a mile, for this splendid system.

On the other side of the account the Grand Trunk show that this cost them $434,999,991, and that they have a fund investment of $1,508,777, and material and supplies on hand $6,407,195, or a total, if we take their statement of what the road cost them and their supplies on hand, of $442,915,963, the cost of which to the Government of Canada cannot exceed $313,882,256. There is only one thing to add to that and that is the obligation of the Grand Trunk Railway to the Grand Trunk Pacific. That is to say, the obligation we will assume by relieving the Grand Trunk, which is $97,000,000. The remainder of the obligation to the Grand Trunk we are already committed to. We cannot get rid of it. Honourable gentlemen in discussing this question assume that we are entering into a new obligation with the Grand Trunk Pacific. We have already an obligation of over $100,000,000 which we cannot avoid. We have an obligation whether it is sold or not, and it is not added to by a single cent by the purchase of the railway further than the $97,000,000 referred to. The only thing to add is the obligation of the Grand Trunk of $97,000,000 which we assume, and you must add that to the other obligation, making a total of $313,000,000 plus $97,000,000, or $410,000,000.

What have we got for that? We have a road unequalled in Canada. We have a road in the thickly-settled portions of Canada. We have a road that has enormous possibilities and a potential value of I think at least fifty per cent more than we will have to pay for it. I consider it an excellent bargain, a magnificent bargain, for this Government, situated as it is with 15,000 miles of road on their hands, which they should handle as efficiently as they can. What have we got in the Grand Trunk? We have a road, as I have stated, costing, outside of the obligation of the Grand Trunk Pacific, only $92,454 a mile, a line double-tracked for 711 miles, running through the most populous section of the Dominion of Canada, a line where the population is not 126 to the mile, as my honourable friend was depicting as the horrible condition in Canada to-day, but a road where the population is 1,000 to the mile. It is the only road in Canada that has a large population to the mile, a road running through all our principal cities, a road having a right of

way and terminals in all the great cities of Ontario and in Montreal and many other places in Quebec. A road that has this right of way and these terminals is of immense value. Can anybody in this assembly estimate the value of the right of way of the Grand Trunk Railway and the value of their terminals in Montreal, Toronto and all the towns and cities? The honourable Minister of Labour yesterday mentioned eighty-eight of the chief towns and cities of Ontario and Quebec, outside of Montreal and Toronto, where the railway ran. He referred to Buffalo, Detroit, Milwaukee, Chicago, and all the large places between. The right of way and the terminals in these cities and towns could not be bought for a hundred million dollars, and that item is not mentioned in the Grand Trunk estimates of the cost of their road. Their estimate of the cost of the road takes that in at cost, and they cost them little or nothing when the road was built, and yet they are worth a hundred million dollars to-day and possibly far more, and we are getting them all.

Hon. Mr. BELCOURT: Does the honourable gentleman suggest that the arbitrators will take those figures as a guide to determine the figures of the common stock?

Hon. Mr. SMITH: I understand the arbitrators are to be limited in the amount of the value found. These are my estimates, and the arbitrators may not place much value on them.

Hon. Mr. BELCOURT: It looks like an invitation to them to take your figures.

Hon. Mr. SMITH: I think the arbitrators should be fair to the Grand Trunk. It is the pioneer road of the country. It has never received any bonuses or land grants, except $15,000,000, in all these years. It has served the country for seventy years, and during half of that time we had no other road and to-day the Grand Trunk would be making a great deal of money for itself and serving the public if it had not been for the fact that the Dominion Governments granted charters for other roads through the same territory. Here for example, was the Grand Trunk with a double track serving the country east of Toronto, and they granted a charter for a road to run alongside of them. The Grand Trunk had a line along the north shore of lake Ontario and there was no excuse for the Government to charter another line on that route; but the Canadian Pacific railway received a charter and built alongside, and have taken half their traffic away. The Canadian Northern also got a charter, and they built another line. So there are three lines now competing for the traffic which the Grand Trunk could have carried. I say under the circumstances the Grand Trunk have a good right to make a claim that they have not been fairly treated by the people of Canada, and therefore I think the honourable Minister of the Interior, when he stated that we should treat the Grand Trunk fairly and generously, is not stating more than he should have stated, taking all these things into consideration.

In addition to getting a line of railway which is said to have cost $434,000,000 to build, and these terminals and rights of way of great value, we are getting proper connections which are invaluable. The honourable Minister of Labour yesterday enumerated the various connections we had in the United States. We draw from the United States an enormous volume of business; we have always done so, and I presume we always will. I do not know what the value of the imports from the United States would be in the last few years; but I know the figures are enormous. We are perhaps drawing half of that over the Grand Trunk railway. It is an enormous trade. The National railway ends at Toronto. As the Minister of Labour stated yesterday, it has no connection with the United States from whence all this enormous traffic comes. The Grand Trunk have all these magnificent connections and terminals at Buffalo, Detroit, Chicago and Portland, and a connecting line between all these places, and they have built up a business with the United States of enormous proportions and of immense value. If we take over this road we get the benefit of all that. It will be an immense benefit to the National railway. Honourable gentlemen on the other side of the House have spoken on this question—

Hon. Mr. POWER: And some on the Government side.

Hon. Mr. SMITH: On both sides of the House. They have only one answer as to why we should not take over the Grand Trunk railway. The answer is that we can make traffic arrangements with it. I submit that traffic arrangement with the railways is not a good solution. I submit that under a traffic arrangement it is the shipper that has the direction of the traffic and under such an arrangement, no matter what an arrangement was made, we could not depend upon getting the whole volume

of the traffic. The shipper has the right to direct the route of the traffic, and he would direct the traffic to suit the pleasure of the gathering road, and therefore traffic arrangement is of little value. The position is worse than that of the manufacturer who rented a building to carry on his business, or the farmer who rented a farm to carry on farming. A farmer should own a farm in order to carry on farming properly and a manufacturer should own a building if he desires to carry on a manufacturing business satisfactorily. But this is entirely different from that. It is ten times worse, because the Government could not compel the Grand Trunk railway to direct that traffic to the connecting lines if they did not desire to do so. The shipper has the directing of it.

Further than that, would we not have to cancel the obligation of the Grand Trunk to the Grand Trunk Pacific? Can you expect the Grand Trunk to go on with that obligation of $97,000,000 hanging over their heads under the traffic arrangement? It would be absolutely absurd to expect that. If we entered into a traffic arrangement for a long term of years—and unless it were for a long term it would be useless—that obligation would be cancelled. I submit we are going to get the value of the obligation and we could not get it at any other time. Under other circumstances, at any other time that a railway came to this Dominion they had the Government caught. To-day we have the railway caught. To-day it is the railway company that has its foot in the frog of the railway, so to speak. We have them at our mercy. Previously the railways always had us at their mercy to a certain extent, and now the position is changed and we have an opportunity to make an excellent bargain. Now that we have this railway at our mercy, although I want to treat them generously, I want to take advantage of the opportunity and make a good bargain to get a good piece of road to round out our system and give us a good road, if government roads can be made profitable.

It is suggested by the amendment before the House that we should delay the matter. Why delay? Everybody has had an opportunity. Suppose that it be found after more minute and careful consideration—although I contend nothing could be found of any essential importance—that there was a further obligation of a few millions, it would not change my opinion in the least, and I do not think it would change the opinion of any honourable gentleman who had studied the question thoroughly with a disinterested mind, because we need the road, and the cost of a few million dollars would neither be here nor there. This is too big an issue. It is a matter of too great importance to permit a small matter to stand in our way. We have the railway company at our mercy. Now is the time to secure that railway which we desire on fair and equitable and cheap terms.

The arguments that have been advanced in this House have largely been against government ownership. As I stated before, this is not a question of government ownership. We already have government ownership on a large scale, and this is only an addition to round out the system, to help to make it profitable, or less unprofitable. I have not heard anything in the debate yet with regard to the disadvantages that might accrue from the acquisition of this railway to the maritime ports.

Hints have been thrown out, and I understand that some members have it in their mind that there will be discrimination against our Canadian maritime ports. I cannot understand how any honourable gentleman can come to any conclusion of that nature. Is the Government of Canada going to divert traffic from its own ports to Portland to a greater extent than a private company would? It seems to me one has only to state the case in that way to show the absurdity of any such contention. The Government of Canada has spent large sums of money in developing St. John and Halifax. Are they going to divert traffic from those ports to Portland, purposely to a greater extent than the Grand Trunk Railway Company has done?

Hon. Mr. DANDURAND: Does the honourable gentleman hope that the traffic from Portland will be diverted to St. John and Halifax?

Hon. Mr. SMITH: I can say only this, that if it can possibly be diverted, whatever loss may accrue to the Atlantic and St. Lawrence railways would be made up by the railways of Canada. We would not stand to lose. If at some future time it should transpire that we could carry all the traffic to our own ports profitably and leave Portland to look after itself, it may at some time in the future, it might become profitable and possible to divest ourselves of those American railways in the Eastern States. I do not think it will be done, but it would be possible.

Hon. Mr. DANDURAND: But the honourable gentleman has said that the shipper

had the first and last word to say as to the routing of his freight.

Hon. Mr. SMITH: Yes.

Hon. Mr. DANDURAND: What inducement can be given to the Canadian shipper if he insists upon paying the cheaper rate on the shorter haul to Portland, instead of the rate to St. John?

Hon. Mr. SMITH: I am assuming the rates will not be cheaper, but will be the same. The direction of the shipper is the deciding factor, if the Government own the Grand Trunk just as if the Grand Trunk Company owns it. If the Grand Trunk Company owns the road, the shipper will direct his freight possibly to suit the interests of the Grand Trunk agent with whom he makes arrangement. It generally does not matter to the shipper which way he ships his freight. If the Grand Trunk agent is soliciting the shipper as to which way to ship, he will send his goods to Portland; but if it is a government agent who is soliciting the shipper, it will be to his interest to solicit the shipper to send to Canadian ports, provided the rate is the same.

Hon. Mr. DANDURAND: Provided the rate is the same.

Hon. Mr. SMITH: Of course, you can hardly expect the shipper to do otherwise.

Hon. Mr. DANDURAND: Then, would it be advantageous for Canada to carry freight at a loss by carrying it at the same rate to St. John as to Portland?

Hon. Mr. SMITH: That is a question for a railway man to answer. I could not answer that. It is a fact, however, that millions of tons of freight are carried at very low rates because of the long haul. The loading and unloading are the same in both cases, and then in the long-distance haul there are sometimes countervailing advantages which would more than make up for the long haul. In this case for instance it might be to the national interest to have our own ports used instead of Portland; that might be of sufficient advantage to Canada to compensate for the loss to the treasury from hauling the goods a little farther than they would have to be hauled to Portland.

Hon. Mr. BEIQUE: I suppose the honourable gentleman is of opinion that the Railway Board should have no say in matters of that kind?

Hon. Mr. SMITH: The Railway Board cannot govern the direction of the freight by the shipper. The Railway Board have no right to compel the shipper to ship his goods as they or the railway company may wish. The shippers' rights have always been respected.

Hon. Mr. BEIQUE: But it is the Railway Board that controls the rates.

Hon. Mr. SMITH: Yes.

Hon. Mr. BEIQUE: And prevents discrimination as to rates. Therefore the Government system of railways would be subject, I suppose, to the regulations of the Railway Board.

Hon. Mr. SMITH: Yes, I agree to that. But what does the honourable gentleman assume? That the Railway Board is going to compel the Government railways to haul the freight over the Government roads at a higher rate?

Hon. Mr. BEIQUE: No, but I assume this, that the Railway Board would protect the shipper to the extent of allowing him to choose his own route.

Hon. Mr. SMITH: Yes.

Hon. Mr. BEIQUE: And to get the benefit of lower rates.

Hon. Mr. SMITH: Certainly.

Hon. Mr. BEIQUE: And therefore that the rates would not of necessity be equal for Halifax, St. John and Portland.

Hon. Mr. SMITH: Yes. If they were not, the shipper, having the choice of routes, would probably choose Portland as he does now, and the Government roads would not suffer; we would be in exactly the same position as we are now.

Hon. Mr. DANDURAND: Then we would not be improving our position by buying the Grand Trunk.

Hon. Mr. POIRIER: Nor making it worse either.

Hon. Mr. SMITH: We would not be making it worse, and we would have many advantages. There would be an advantage in the interchange of traffic, for instance. Let me cite to honourable gentlemen this example. Under the present arrangement, under private ownership, there is an enormous volume of traffic shipped from Ontario and Quebec to the western provinces. The Grand Trunk gathers it up and takes it to North Bay. That is the end of the Grand Trunk line. They may direct it over the

Canadian Pacific railway. If the Grand Trunk were owned by the Government, the Government's agent soliciting the shipment would encourage the shipper to send it all the way through by the government route from North Bay, and the Government road from North Bay to the West would get the benefit of all that freight, which might otherwise go by the Canadian Pacific railway.

Hon. Mr. DANDURAND: Could not the same results be obtained by a traffic arrangement—

Hon. Mr. SMITH: No.

Hon. Mr. DANDURAND: —since from North Bay we have a shorter route to Winnipeg?

Hon. Mr. SMITH: Not at all; because it would not be to the interest of the Grand Trunk agent in soliciting that consignment from the shipper, to have it go by the Government any more than by the Canadian Pacific railway.

Hon. Mr. DANDURAND: But under an agreement there would be an obligation on the part of the Grand Trunk to send it by the government route.

Hon. Mr. SMITH: But the agreement could not control the shipper, and the agent of the Grand Trunk can suggest to the shipper anything he likes, and the traffic arrangement would not apply—would have no effect. The shipper chooses his route and he may do so at the instigation of the Grand Trunk agent or he may not. At any rate, the Grand Trunk in that case would be neutral, and the shipper would have to decide between the two routes; whereas if the Grand Trunk is owned by the Government it would not be neutral but would solicit the shipper to ship by the Government road via North Bay. The Government would thereby get nearly all the traffic, because the agent of the road can almost always induce the shipper to ship whichever way the agent likes.

Hon. Mr. DAVID: Would the honourable member allow me to ask him a question?

Hon. Mr. SMITH: Yes.

Hon. Mr. DAVID: The honourable member has said several times that the company was at the mercy of the Government.

Hon. Mr. SMITH: Yes.

Hon. Mr. DAVID: If the company is at the mercy of the Government, cannot the Government force the company to make such arrangements as to connections, traffic interchange, etc., as are in the interest of the country, and oblige the company to respect those arrangements?

Hon. Mr. SMITH: I have just answered that question. The honourable gentleman evidently did not gather the force of my argument. No matter what traffic arrangement you may make, the Grand Trunk agent cannot compel the shipper to ship in any way except the way the shipper wishes to have his goods sent.

Hon. Mr. DANDURAND: Even under government ownership?

Hon. Mr. SMITH: No; not even under government ownership can he do so.

Now, I want to say, honourable gentlemen, that we require only a little courage. It seems to me that many honourable gentlemen who have spoken upon this question are timid. That is all that is the matter with them—timidity. This is no obligation. It is said that we are going to enter into an enormous obligation; that we have to borrow a great deal of money. I have named the obligation. We do not have to borrow one dollar. The money is already borrowed, and it is all on long terms—thirty years and more, nearly all of it. There is only a small portion of the notes immediately due.

Hon. Mr. BEIQUE: What portion?

Hon. Mr. SMITH: I have not the exact figures. The equipment notes look after themselves. The current liabilities of the road, which are looked after by the incoming traffic, are $22,000,000, and the short date notes, $35,000,000. Now, suppose that we had to pay at an early date the whole of that: that is only $50,000,000. Honourable gentlemen say that the Grand Trunk is not in good condition, that it will cost $50,000,000 to put it into first class condition. All I can say as to that is that the Minister of Labour showed yesterday that Mr. Mountain, the engineer of the Board of Railway Commissioners, has been over the road lately and reported that it is in good condition. I myself am a shipper. I have been shipping in a considerable way for the last forty years and have had a good deal to do with the railways of Canada. I have had occasion every year to order hundreds of cars, and during the past two or three years I have been able to get cars, and good cars more quickly from the Grand Trunk Railway than from the Canadian Pacific Railway. What does that show? It shows to me that the Grand Trunk have

plenty of equipment. Their equipment for the last twenty years has been good. I have always been able to get cars from the Grand Trunk more readily than from the Canadian Pacific Railway; not that the Canadian Pacific Railway is short of equipment, but they are shorter of equipment in Ontario, at any rate, than the Grand Trunk. I have, as I say, always been able to get cars from the Grand Trunk and have been able during the past two years to get them more readily than from the Canadian Pacific Railway. That, to my mind, disposes of part, at any rate, of the argument that the Grand Trunk is short of equipment. If they had been short of equipment I would have been pinched for cars and would have been told that I could get them the next day or the day after, but I was always able to get cars promptly from the Grand Trunk.

As to the condition of the roadbed, Mr. Mountain has described it as he saw it. Any honourable gentlemen in this House, especially those from the province of Ontario who are travelling daily over the Grand Trunk lines, would state, if they were asked, that those lines are in excellent condition. I would not say there is not a better line on the continent of America; perhaps that would be going too far; but I do state that there is not a better line in Canada than the line from Montreal to Sarnia. It is double-tracked. It is always in perfect condition. Trains can run over it at 60 miles an hour if required, and they often run at 50 miles an hour. And in other sections of the country the Grand Trunk has a splendid road. There is a tunnel under the St. Clair river owned by this road, and there are connections there with the United States. We have the facilities for gathering up traffic in the United States, in Chicago, that great depot where traffic is collected from all over the western states. The Grand Trunk have terminals right in the centre of that city. What would the people of Canada have to pay to-morrow if the Grand Trunk were blotted out overnight and they wanted to build it again? And would they not want to build it again? Is there a man in Canada who would not want it replaced? What would replacement cost? Honourable gentlemen, I fully believe it would cost, at the very least, more than 50 per cent more than we are paying for it, to build it, at prices prevailing before the war. It is costing us by this agreement about $92,000 a mile. Sir Adam Beck in 1916, before prices had raised, before wages had advanced, before the cost of materials that go into the construction of a road had advanced, sent his surveyors and engineers to lay out a road from the town of Mimico, a little west of Toronto through the city of Hamilton and on to the Niagara frontier. How much do you think was the estimated cost of that road? $190,000 a mile.

Hon. Mr. BENNETT: An electric road.

Hon. Mr. SMITH: An electric road, and single-tracked, and this is double-tracked for 711 miles. Do you suppose the engineers or Sir Adam Beck representing the municipalities of Ontario would have stated a figure higher than they thought it would cost, when he was appealing to the electors of the various municipalities to vote enormous sums of money to build that road? I do not think so. I never saw or heard of a man that would do that. I think the reports of his engineers must have been correct, and they estimated that it would cost $190,000 a mile—why? Because of the right of way through the city of Hamilton and St. Catharines—and the Grand Trunk railway have a right of way through a hundred cities and towns, and have terminals in cities and towns not only in Canada, but in the United States, worth untold sums that we cannot estimate.

We talk about not believing in public ownership. As I said in beginning, honourable gentlemen, in general I do not believe in public ownership. I do not believe that public utilities can be quite as economically carried on under public ownership as under private ownership; but we must not forget that there is quite a margin between the cost of the article sometimes, and the selling price, and if government ownership projects are not managed quite as well as they would be under private ownership, it will not cost the people any more if the Government sells at cost. There are exceptions, however, as I said before. There is no great principle that I know of to which there are not exceptions. This is one of the exceptions. This is a case where we already own 15,000 miles, many of them unprofitable, and I want to buy something to make them profitable.

Another exception is the construction of the hydro-electric lines in Ontario. I supported that in the beginning and I have supported it up to now. Why? It was an exception to the general principle because in Ontario we have no coal. Ontario is an industrial province; there are vast industries there, the products of which were

mentioned yesterday by the honourable the Minister of Labour (Hon. Mr. Robertson). Ontario produces over 50 per cent of the manufactured products of the whole Dominion. We want to increase those products. It is a good thing for us to try to increase them. To do it we require cheap and certain power. Twenty years ago we depended on the United States for the coal to carry on those industries; therefore, as an exception to the general rule, I supported the Government of Ontario entering into an arrangement with the municipalities whereby they could buy power and sell it at cost. Coal may play out. The good-will of the United States may play out, but Niagara falls will flow on forever, and we have that perennial and everlasting source of energy in our own hands. That is an exception, which I support. I honestly believe that many honourable gentlemen in this House have confused the general principle with the exceptions. Because they are disbelievers in government ownership on general principles they disapprove of this bargain, which is an important exception. It seems to me that if we fail to take advantage of this exception we will be sorry, generations after us will be sorry. I think it is the best bargain, and as I said before the only good bargain the Government has ever made with railways. We have the Grand Trunk Railway fast, and having them fast, we can make a good bargain and at the same time be generous with them; and I only hope that the timid ones will have courage. If a business man were to be as timid as some honourable gentlemen are, what would become of the great industries of this country? Did our manufacturers show such timidity during the war when by enterprise and courage they built up an enormous fabric, an enormous production, and trained tens of thousands of men to become skilled men, and placed Ontario and the Dominion of Canada generally, as a manufacturing country, in the forefront of nations? It was not by timidity, but by a judicious study of the question and by courage. Wisdom is no good in enterprise and business without courage. Anybody who has studied this question must come to the conclusion that this is a good bargain, and that all we have to do is to go forward now and not wait two or three or four months. Conditions are as good now as they ever will be. Now is the time to take advantage of this opportunity, and in my judgment there is no good occasion for delay.

Hon. Mr. SMITH.

I do not know that I have anything more to say. I hope the amendment will be defeated.

Hon. Mr. POWER: Honourable gentlemen, there are a few observations that I should like to make in connection with the question before the House, but it is now 10 minutes to 6, and inasmuch as I have sat here all day, subject to floods of talk, eloquent as a rule, I think perhaps the House will agree that the Speaker should call it 6 o'clock. The only promise I can make is that I shall not make the longest speech in the debate.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. McMEANS: Before the honourable gentleman proceeds with his speech, I desire to call the attention of this honourable body to a telegram that was read in this House this morning by the honourable leader of the Opposition. It is as follows:

Winnipeg, Man., Nov. 5.

Hon. Senator Bostock,
The Senate,
Ottawa, Ont.

MacLean of Winnipeg Board of Trade has wired Speaker of Senate as follows: Please take notice that Winnipeg Board of Trade with a membership of over twenty-two hundred at general meeting November fourth overwhelmingly defeated a resolution presented supporting Grand Trunk Bill on ground that public has not been informed and details as to liabilities and obligations are not available and on further ground that only report available shows stock to be worthless. Strong feeling expressed that receivership is proper method of procedure.

J. S. Adamson.

I thought that there was something very peculiar about the telegram and I sent a message to the editor-in-chief of the Winnipeg Tribune, Mr. J. J. Moncrief, and asked him to confirm the message if he could. In answer I received the following:

Hon. L. McMeans,
Senate, Ottawa, Ont.

W. H. Carter, President of Winnipeg Board of Trade, said to-day: "Our Board has not pronounced on Grand Trunk Bill in any manner. Resolution on question came before meeting, but on motion it was resolved that the resolution be laid on table and there it is to-day. Members expressed the opinion that they had not sufficient data before them at the moment to discuss the matter intelligently. Minutes of Board which I have seen bear out President Carter's statement.

John J. Moncrief.

I can only say that I thought it very extraordinary that the Winnipeg Board of Trade should pass a resolution of that kind without any mention of it appearing in the

press of this country; but the moment the honourable gentleman read the message, from my knowledge of the gentleman who signed it I knew there was something wrong about it. Mr. Adamson is a gentleman not entirely unknown: it was he who at the last Liberal convention brought out telegrams which caused a long debate in the Commons, which I need not refer to. I think some step should be taken so that the members of this House may not be subject to having telegrams of that kind sent to them in order to mislead the House.

Hon. Mr. BOSTOCK: Of course, the honourable gentleman understands that that telegram was sent to me. The other telegram, I understand, was sent to the honourable the Speaker by Mr. Maclean.

Hon. Mr. McMEANS: Well, here is the answer to it.

Hon. Mr. DANDURAND: The telegram the honourable gentleman received was not in cipher?

Hon. Mr. McMEANS: No, not in cipher. If it had been in cipher it probably would have been in the possession of the Opposition.

Hon. L. G. POWER: Honourable gentlemen, I do not purpose troubling the House for any great length of time. The question which is before us has been dealt with by honourable gentlemen who have thought over the question and studied it deeply, and I feel that it would be only attempting to paint the lily if I were to undertake to do over again the work which those gentlemen have done very much better than I could do it. I simply wish to make a few observations, not as an expert, but as what we may call a man in the street, giving the impressions that would naturally be made upon the mind of a man of that kind.

I think that in dealing with a question of this sort, particularly in a body like the Senate, where we are not supposed to have the same sort of political feeling that they have in another place, the right thing is to look at the facts of the case and to consider them in a calm and businesslike way. I think, honourable gentlemen, that if we deal with the Bill that is before us in that frame of mind we shall do better than by getting warmed up or showing anything in the nature of temper.

The first thing is to find out what the proposal really is. There are various estimates, honourable gentlemen, of the amount which this measure, if it goes into operation, will add to the liabilities of this country. These estimates vary from about $300,000,000 to something in excess of $500,000,000. I am not going to enter into the details of the matter. I have been reminded of the ballad by John Hay, called "The Mystery of Gilgal," where two gentlemen came into Taggart's bar together and ordered a drink, and Taggart, the landlord, mixed the drink and clapped it smoking on the bar. The man telling the story goes on to say:

> Some says three fingers,
> Some says two;
> I leave the choice to you.

Now, honourable gentlemen, some say $300,000,000, some say $500,000,000; I leave the choice to you.

An Hon. SENATOR: It is neither.

Hon. Mr. POWER: As to it being neither, I think I can show that it is either. If one turns to the Commons Hansard of this session, page 1443, he will find that the Minister of Railways said:

> I have stated that the total liabilities in connection with the debenture stock are $266,023,750.03. Then on page 39 of the blue-book we have additional liabilities as follows:
>
> | | |
> |---|---|
> | First preference 5% stock.. .. | $ 16,643,999.78 |
> | Second preference 5% stock. .. | 12,312,666.50 |
> | Third preference 4% stock.. .. | 34,884,534.95 |
> | Total preference stocks.. | $ 63,841,201.23 |
> | Common stock.. .. .. | 116,583,124.44 |
> | Total preference and common stocks.. .. .. | $180,424,325.67 |

Then, on the next page he says:

> The debenture and guaranteed stocks amounted to $266,023,750.03, and the net fixed charges $11,573,525.45. We have to add to that, $180,424,325.67. Then there are equipment notes amounting to $58,181,136.14, making a total of $504,629,211.84.

And in that he says the Grand Trunk Pacific and the American roads represent a total of $275,000,000. Then, on page 1447 he says:

> The total liabilities of the Grand Trunk Railway system are $266,023,750.03. The amount that the Grand Trunk railway system has guaranted is $18,936,377.29; so that if you add $266,023,750.03 to $18,936,377.29, you have the funded debt plus any amount that may be awarded.

And he says in answer to Mr. Cahill: "The total is $284,960,127, plus any amount the arbitrators may award." So honourable gentlemen will see that practically the lowest estimate, the estimate made by the minister introducing the measure, puts the liability at $300,000,000.

Then, Mr. Rowell sums it up again. He says:

Now, I will sum up these figures in order that hon. members may see how they stand. The funded debt amounts to $205,190,417.52; guaranteed stock $60,833,332.51; guarantees on American lines, $18,936,377.29; total on Grand Trunk and subsidiary companies, irrespective of Grand Trunk Pacific, $284,980,127.32. If you wish to take in the Grand Trunk Pacific and its branch lines, add $216,253,111 to that and you get a total of $501,233,238.

So, honourable gentlemen, we are asked to add to the debt of this country at least $300,000,000. Even if we had not already a debt of over two billions of dollars that would be a serious proposition, and it would be justified only by the most absolute necessity. Convenience would not justify our adding any such sum as that to the national debt. It is not necessary to add any strength to that statement; but we have the fact that the hon. member who sits in that Chamber, and who was for some years Minister of Finance, came before a committee of the House of Commons and proved to a demonstration that the country could not afford to add anything considerable to its present liabilities.

I quite agree with Sir Thomas White in his view then, but it shakes one's faith in gentlemen who occupy prominent positions in public life when we find the same gentleman, who had appeared before the committee of the Commons, and proved to them that they could not afford to devote any millions, to a certain purpose, within a week or ten days coming before the House of Commons and stating in that House that the country should undertake an expenditure involving not less than $300,000,000. They say appeal from Philip drunk to Philip sober; but in which case was he sober? Was it the Philip who advocated economy and the refraining from going into further debt who was sober, or was it the Philip who advocated the immediate assumption of a debt of over $300,000,000 who was sober? It is not necessary to labour the question that we are doing a very serious thing, or proposing to do a very serious thing, when we propose to add over $300,000,000 to the debt of this country.

I have understood one or two gentlemen in this Chamber to say—and I see the statement has been made by ministers in the other Chamber—that there was no alternative. It was that or nothing—that the Grand Trunk Company was in such a condition that the road had to be taken over, because otherwise the road would not continue to run. In some remarks I made on the 15th of October I suggested an alternative, and that was that the Government should relieve the Grand Trunk Company from all liabilities in connection with the Grand Trunk Pacific, and that, if that were done, the Grand Trunk Company would be able to carry on as it had been doing before the war. That is, I think, made clear in various statements that have appeared. Last year the surplus of the Grand Trunk Company was over a million dollars, and previous to the war the average surplus was about $4,000,000 a year, and if the Grand Trunk Company were relieved of the burden of the Grand Trunk Pacific the company could go on. Now pictures have been drawn of the wretched conditions of the Grand Trunk Pacific Company; but I have doubted the correctness of these dark pictures, and I was pleased this afternoon to hear the honourable gentleman from St. Catharines (Hon. Mr. Smith) telling us that the Grand Trunk was a magnificent institution, that it was run in the most satisfactory and businesslike manner, and that its plant was in good condition. If that is the case, if the Grand Trunk Company are freed from the incubus of the Grand Trunk Pacific, and if they are prepared to continue to give an admirable service, which, as we learn from the honourable gentleman from St. Catharines (Hon. Mr. Smith) they are now giving, why should the country pay $300,000,000 to transfer the control of that railway and its work from the Company to the Government? Will the Government run the road any better than it is being run now? I trow not. The honourable gentleman will probably not say that the Intercolonial railway and the Grand Trunk Pacific have been conducted in a better way than the Grand Trunk is at present.

I call attention to the fact that before this measure came before the House I had spoken of this alternative. I was not aware at the time that this alternative had been suggested from any other source. But I find now, on further information, and particularly after the speech made by the honourable gentleman from De Lorimier (Hon. Mr. Dandurand) that my humble view is sustained by very high authorities indeed. The honourable gentleman from De Lorimier read an offer made in February this year to do practically what I have suggested. There is in the bluebook a telegram from Mr. Kelley to Sir Thomas White, which reads:

I have accordingly suggested to the Board that the Government should take over Grand Trunk Pacific railway and the Branch Lines Company, repaying to the Grand Trunk all indebtedness, and that Grand Trunk should enter

into a traffic agreement with the Government by which Grand Trunk should become the eastern connection of the Canadian Government railways and the Canadian Government railways should become the western connection of the Grand Trunk, interchanging at North Bay; Grand Trunk to operate at cost all the eastern lines of the Canadian Northern railway; Grand Trunk to undertake to spend upon improvements and additions to its terminals and other facilities such portion of the money owing by the Grand Trunk Pacific railway and Branch Lines Company, which would be repaid by the Government and which might be necessary for the efficient handling of the combined through business. This plan would enable the company to continue operation of its American lines and secure all of the advantages therefrom both to the company and to Canada by reason of the control and movement of international competitive traffic over its lines and through Canada.

The answer was a direct negative from Sir Thomas White, and reads:

Replying your message received through Scott, your conclusion respecting our interview entirely unwarranted. Proposal made in your cable cannot be entertained.

I think it would be well if the Government took that view, but I find that not only has this alternative been suggested early in the year, but it was referred to in the report of the Drayton-Acworth Commission. On page 1470 of the Commons Hansard it is stated that Mr. Smith recommends that the Government should leave the Canadian Pacific and the Grand Trunk alone, and that they should release the Grand Trunk from their obligations as regards the Grand Trunk Pacific. Mr. Smith is head of one of the very greatest railway corporations in North America, and he was a member of this commission, and you see he was decidedly opposed to government ownership, and was in favour of the scheme which I had the honour to suggest to the House some three weeks ago. As it is now, if this Bill passes and becomes law, the liabilities of Canada will be increased by at least $300,000,000. If the alternative scheme were adopted, they would not be increased at all.

You may say: "Well, you would have to take the place of the Grand Trunk, which has guaranteed some $97,000,000 for the Grand Trunk Pacific." But honourable gentlemen will see that if this Bill passes and becomes law the Government are not relieved from the burden of the Grand Trunk Pacific. They have to carry that; and in the one case, if they adopt the plan suggested by Mr. Smith and Mr. Kelley, really the country is not called upon to pay anything on account of the Grand Trunk and you get the Grand Trunk practically for nothing; because, if the Bill passes, then the country has to assume the Grand Trunk Pacific, and that is the worst that can happen under the alternative.

A good deal of stress is laid by some honourable gentlemen on the statement that the acquiring of the Grand Trunk would give eastern connections with the Grand Trunk Pacific. I fail to see how the transfer of the control of the Grand Trunk from the company to the Government is going to improve the connections. The connections would be just the same, and the Government are in as good a position as the company to enter into traffic arrangements with the Grand Trunk. At any rate, there are two lines from Winnipeg into Ontario, so that the Grand Trunk Pacific would not be dependent upon the Grand Trunk at all. I think any one who listened carefully to the speech of the honourable gentleman from Cape Breton (Hon. Mr. McLennan) this afternoon must have felt that this was a day of peace among railway companies, and that if the Grand Trunk were ever disposed to act somewhat in the way of a curmudgeon, that time has passed away. At any rate, if there were any difficulty made by the Grand Trunk about entering into a reasonable arrangement the Railway Commission could settle that. Since the Railway Commission has been in operation I think there has been very little ground of complaint of the policies of the different railway companies. Some honourable gentleman—I do not remember just now who it was—said that the position of the Grand Trunk was exactly the same as the position of the Grand Trunk Pacific at the present time. The honourable gentleman who made that statement no doubt believed he was stating what was correct, but he was not, because we have evidence that if the Grand Trunk Company are relieved of the burden of the Grand Trunk Pacific, they can carry on, and there will be no necessity for selling them out or foreclosing, or anything of that sort, and everybody knows that the Grand Trunk Pacific cannot carry on. I think during the past year there has been a deficit of over $10,000,000 on the operation of the Grand Trunk Pacific.

I do not propose to enter into what might be looked upon as a more or less personal discussion; but I could not help being somewhat surprised when the honourable leader of the Government spoke of the Government as having had a mandate to take over the Grand Trunk at the election of 1917. No honourable gentleman could preserve a straight face and make the statement that that question came in any sense before the electorate in the election of 1917.

I only wish to say two or three words with respect to the manner in which the question has been discussed in this House. I think, as a member of the Senate, that I should feel proud of the ability which has been shown in dealing with this question here and the tone in which the question has been discussed. Being the oldest member of the Senate, I naturally have a deep concern in its good repute, and I think the discussing of this Bill in this House must tend very much to raise us in the opinion of our fellow-citizens.

I simply say, in conclusion, that if the alternative which was suggested by Mr. Smith three years ago, I think, and suggested by Mr. Kelley in the beginning of this year, is acted upon, the debt of the country will not be increased a dollar, and I cannot understand how any one who is interested in the reputation and the welfare of this country can vote to place that additional three or four hundred million dollars on the shoulders of a population that is already carrying too much debt.

Hon. F. L. BEIQUE: Honourable gentlemen: Speaking at this late hour, after so many able speeches have been made on this question, I cannot be expected to deal with the matter at all thoroughly without repeating a good many things that have been said, not only by members of this House, but also by the press, which has, within the last two or three weeks, given special consideration to the question. I refer especially to the Montreal Gazette, and I join my honourable friend the member for De Lanaudière (Hon. Mr. Casgrain) in what he has said in regard to that paper. That paper is I believe the best-made paper on the continent of America.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BEIQUE: And, although I do not always see eye to eye with the Montreal Gazette, I recognize that there are in that paper, on all questions engaging the attention of the public from day to day, most mature and well-reasoned articles. My only excuse for following so many honourable members who have already spoken is the importance of the question which is engaging the attention of the Senate I have been in this House since 1902 and I do not think there ever was a question of such importance as the one that is now before this honourable body. In the remarks which I desire to make, I propose to take up at the outset the position of the Grand Trunk towards the Dominion of Canada, its indebtedness to the country, and to consider also what is the position of the Dominion of Canada, morally or otherwise, towards the Grand Trunk Railway. I will then take up the merits of the Bill and give the several reasons why I am against it.

In dealing with the first point, I shall have to go somewhat into the genesis of the Grand Trunk Pacific. As you are aware, in 1902 Sir Wilfrid Laurier, who was then Prime Minister, was approached by the late Mr. Hays, then general manager of the Grand Trunk, who complained that the Grand Trunk could not properly compete with the Canadian Pacific, and stated that, in order to be placed on an equal footing, they would require to extend their lines to the Northwest. The letter was dated November 3, 1902, and was signed by Mr. Hays and Mr. Wainwright. I will dispense with the reading of the letter. I am sure it is known to all honourable members of this House; but I will read a few extracts from it:

> Your petitioners desire to memorialize your Government in regard to the construction of a first-class line of railway from the northern terminus of the Grand Trunk railway at, or near, North Bay, Ont., through to the Pacific coast, for the reasons and upon the conditions herein set forth:—
>
> First: That it be considered very desirable and in the public interest that there should be, without any unnecessary delay, a second transcontinental railway reaching from the Atlantic ocean to the Pacific ocean, in order that additional facilities may be provided for the large and growing business of the Northwest, which might otherwise find its outlet through American channels.
>
> Second: That your petitioners propose, as soon as authorized by your Government to undertake the construction of such a line from North Bay, Ont., or some other point north thereof, to be defined, to the Pacific coast, the terminus to be at or near Port Simpson; with all necessary branches along the route, to be designated.
>
> Third: That your petitioners therefore ask that their application for authority to construct such a line of railway to be called the Grand Trunk Pacific Railway shall be granted.
>
> Eighth: That in order to provide for connection with the Atlantic seaboard, all the year round and through an all-British territory route, your petitioners will be prepared to enter into an arrangement with the Government for an interchange of traffic or other satisfactory agreement with the Intercolonial railway at Montreal, or such other proposal as the Government may submit.
>
> Ninth: That your petitioners would have the advantage of all the eastern connections, in Ontario and Quebec, of the Grand Trunk railway, and by this means (on the completion of the transcontinental line) there would be established and opened up a complete system from ocean to ocean.

Mr. Hays was suggesting there what has been suggested by several members of this

honourable House—a traffic agreement in order to meet the difficulty and to meet it by means of a traffic agreement between the government-owned and operated railway, the Intercolonial, and the Grand Trunk Pacific which it was proposed to construct as a transcontinental line.

On referring to the statutes of 1902, chapter 50, sanctioned May 15, 1902, and to the statutes of 1903, chapter 97, sanctioned on June 25, 1903—it will be seen that the Canadian Northern Railway was authorized to extend its lines from the city of Quebec to the Pacific coast and to construct branch lines covering the better portions of the provinces of Manitoba, Saskatchewan, and Alberta, also branch lines to Ottawa and to Montreal. It was only on the 24th of October, 1903, and therefore a year subsequent to the passing of the first Act, and several months subsequent to the passing of the second Act, that the Grand Trunk Pacific Railway Company was incorporated, with power to construct a line of railway from Moncton to Winnipeg, and from Winnipeg to Port Simpson or Bute Inlet on the Pacific coast, passing through Battleford, Edmonton, Dunvegan and river La Paix; and also the branch lines mentioned in these statutes.

Sir Wilfrid Laurier and no doubt the other members of his Cabinet were anxious to satisfy the ambition of the management of the Grand Trunk railway; but they were equally anxious to bring the Grand Trunk railway and the Mackenzie and Mann interests together, in order that a second transcontinental line only should be built. Early in the spring of 1903, at Sir Wilfrid Laurier's suggestion, negotiations were opened between the late Sir Rivers Wilson, then president of the Grand Trunk railway, and Mr. Hays on the one part, and Messrs. Mackenzie and Mann on the other part, with the view of conciliating both interests. I was asked by Sir Wilfrid Laurier to take part in the negotiations, and especially to revise a memorandum prepared on the question by Mr. Z. A. Lash, K.C., in order to make it as acceptable as possible to the Grand Trunk railway management. I did my best in that direction, but found very soon that Sir Rivers Wilson felt that the Grand Trunk railway was too big a corporation to receive or accept terms from Messrs. Mackenzie and Mann. The negotiations ended rather abruptly without the memorandum which I have mentioned receiving hardly any consideration on the part of the Grand Trunk railway management, and in Messrs. Mackenzie and Mann feeling offended at the treatment they had received. I quite remember their saying that they would show Sir Rivers Wilson whether they were too small fishes to deal with the Grand Trunk railway. I feel at liberty to speak freely of what passed at the time, because I was not acting in the matter professionally, but exclusively in my capacity of member of Parliament.

It may be interesting for members of this House and for the public to know what Messrs. Mackenzie and Mann were disposed to do to conciliate the Grand Trunk railway's interest and avoid the building of a third transcontinental line. I have kept a copy of the memorandum which was presented at the time to Sir Rivers Wilson and Mr. Hays. I do not think I should take the time of this honourable House to read it, but it will be interesting and will form part of the history of the Grand Trunk Pacific. Honourable members will find that in that memorandum the question was fully dealt with. The memorandum commences by stating the position of the Canadian Northern at the time. They had over 1,500 miles of railway built in the West. They had, as I have mentioned, their charter to make it a transcontinental line. They were in possession of the field, and they could not be fairly ejected from it. The memorandum, after showing that the amalgamation of the two companies was impossible, suggested the incorporation of a line extending from the East to Winnipeg, which would be promoted by both the Grand Trunk and the Canadian Northern, the stock being divided between the two companies; and by an arrangement between the two companies for the operation of that line to the benefit of both interests. I will place the memorandum on Hansard, so that honourable gentlemen who desire may take cognizance of it:

Re the Grand Trunk Railway and the Canadian Northern Railway.

This memorandum is made for the consideration of the parties interested and not in any way as a proposition by one to the other. It contains Mr. Lash's personal suggestions made with a view to bring about a practicable arrangement between the two companies.

1. The situation of the Grand Trunk Railway Company with reference to its outstanding share capital and its outstanding bonds and other securities is so complicated that no scheme would be practicable at the present time which would involve a surrender by its shareholders of their shares and the acceptance in lieu thereof of shares in a new company formed by amalgamation of the Canadian Northern with the Grand Trunk, or in a new company formed for the purpose of taking over the undertakings of the other two. Therefore the idea of the Grand

Trunk pooling its undertaking with that of the other company in such a way as would involve the exchange of shares by the Grand Trunk shareholders, would not be practicable at the present time.

2. The Canadian Northern Railway Company has now about 1,500 miles of lines, extending from Port Arthur into and through Manitoba; and it expects during this year to construct about 8 miles more, partly in Manitoba and partly to the West of Manitoba and on the main line to Edmonton. The fixed charges of the Canadian Northern railway are very low compared with those of other railways; and the financial arrangements for the construction of the additional mileage referred to and the further extension to Edmonton will not involve any substantial increase, if any, in the fixed charges per mile.

3. The Grand Trunk Pacific Railway Company has not yet been incorporated. It is expected that when incorporated, its charter will enable it to build a railway from Quebec to the Pacific coast.

4. Although entirely independent of the Grand Trunk railway, the Grand Trunk Pacific Company, I understand, relies upon getting financial assistance from the Grand Trunk Railway Company for the construction of its line, and relies upon making some kind of an arrangement with the Grand Trunk Railway Company for the interchange of traffic or the joint operation of the two systems. I am not aware of the nature of the financial assistance which it is expected that the Grand Trunk Railway Company will afford.

5. It has been suggested that the shareholders of the Canadian Northern Railway Company should transfer to the Grand Trunk Pacific Company all their shares in consideration of shares in the capital of the Grand Trunk Pacific Company and that this transfer should be made upon the basis of the cost of the Canadian Northern Railway Company's lines and of their earning powers and the cost of the lines to be constructed by the Grand Trunk Pacific Company and of their earning powers, the intention being, if such a basis could be arrived at, that the Grand Trunk Pacific Company would construct the new lines required to connect the systems of the Grand Trunk railway and the Canadian Northern railway and the extension to the Pacific coast, and that when the connection between the Grand Trunk railway and the Canadian Northern railway systems is established by the link between Port Arthur and North Bay, a traffic arrangement should be made with the Grand Trunk Railway Company for the interchange of traffic at that point.

There are several objections to the accomplishment of any arrangement on these lines.

First: The Canadian Northern Railway Company now holds a charter which would enable it to build Eastwards from Port Arthur to Quebec and Westwards from Edmonton to the Coast; and it would be difficult to convince the Canadian Northern Railway Company shareholders that it would be to their advantage to practically surrender these rights of building East and West, and to exchange their shares for shares in a company which has not at present any constructed line.

Second: It would be practically impossible to arrive at a basis for the exchange of shares which would be satisfactory to both parties. The cost of the respective lines might be ascertained with reasonable accuracy, but the value of these lines and their earning powers could not be ascertained at the present time and opinions would be sure to differ widely with regard to them. This fact alone, would, I fear, make it impossible to expect any successful result from any negotiations on the lines mentioned.

Third: Under any circumstances there would be no advantage to the Canadian Northern Railway Company in joining hands with the Grand Trunk Pacific Company alone. The union would have to be substantially and permanently with the Grand Trunk Railway Company to make any arrangement with the Grand Trunk Pacific Company an attractive one; and it seems to me that some arrangement of a more permanent and elastic nature than a mere traffic arrangement between the two companies would have to be entered into.

6. As it seems necessary under the circumstances that the shareholders and security holders of the Grand Trunk Railway Company should be allowed to retain their shares and securities undisturbed by any arrangement which may be made with the Canadian Northern Railway Company, some scheme short of amalgamation which would leave the shareholders and security holders of the two companies in their present positions and which would have as far as possible the permanency of amalgamation, must be devised if the parties are to come to an arrangement for the joining of the two railway systems and the building of the necessary lines for that purpose, with extensions in the future.

7. The Grand Trunk Railway Company has now a system in the East. The Canadian Northern Railway Company has now a system in the West. The most natural way of treating the situation would be to allow the Grand Trunk Railway Company to develop its system in the East as it thought best; and to allow the Canadian Northern Railway Company to develop its system in the West as it thought best, including the extension from Edmonton to the Coast; and at the same time to join these two systems together in some way which would be permanent and which would provide for the building of the intermediate link and which at the same time would be practicable and possible of accomplishment in the near future.

I suggest the following for consideration.

Legislation would of course be required to enable the suggestions to be carried out.

My scheme is as follows:

8. Let a new company—which might be called the Atlantic and Pacific or some other suitable name—be incorporated, having the necessary powers to build a line from Port Arthur to Quebec and having such other powers with respect to branches as might be thought desirable. Let the charter of this new company confer upon it the necessary powers to operate its own system and the systems of the Grand Trunk Railway and the Canadian Northern Railway and to enter into all agreements by way of lease or otherwise as may be necessary in that behalf. This new company would be the link which would bind together as permanently as possible the systems of the two other companies.

9. Let the capital stock of this new company be equally divided between the Grand Trunk railway and the Canadian Northern railway

and let the board of directors of the new company be appointed in equal numbers by the boards of the Canadian Northern railway and the Grand Trunk railway, the intention being that at all times these two companies shall have an equal interest in and an equal control over the new company. I suggest that the number of the board be either six or eight with a quorum of four consisting of two members representing each company; and power should be given to any member to appoint any other member of the board as his proxy to represent him in his absence.

10. Government assistance by way of guarantee of bonds or otherwise would be expected to enable the new company to raise the money required for the construction of its lines; but whatever method was adopted for the Government assistance, an issue of bonds by the new company secured upon its lines and revenues, etc., would undoubtedly be required; and in order that the new company might at all times be in a position to meet the interest on its bonds, the excess revenue of the Grand Trunk railway and the Canadian Northern railway over and above the amount required to pay the fixed charges of these companies respectively could be charged with any deficiency which might arise in the revenues of the new company. This would be eminently fair as the new company would be controlled by the other two, and its share of through rates and of general expenses should at all times be so adjusted that its revenues would be sufficient to meet its fixed charges. The territory covered by the new company's lines would not in the first instance be productive of much local business. An arrangement of this kind would probably make it easy to dispose of the new company's bonds at a fair price: but if any other security were found to be necessary it should be afforded by guarantee or otherwise by the Grand Trunk railway and the Canadian Northern railway in equal proportions. These two companies being equally interested in the new company should support the new company financially.

11. So soon as the line between North Bay and Port Arthur is completed, let the new company be entrusted with the operation of its own and the other two systems. This could be done by an agreement in the nature of a lease or in some other convenient way which would be permanent. Legislation would of course be required in order that this might be properly accomplished. The new company in assuming the operation of the other systems would of course recognize and carry out all existing contracts whether with employees or respecting traffic, etc. It should however otherwise be given a free hand with respect to the staff and to the various questions which would arise in connection with the operation. If this be not done, then the saving in expenses which might be brought about by the Central Operating Management and the other advantages which would accrue therefrom might not be accomplished.

12. Make it the duty of the new company to keep separate accounts of the earnings of the three companies with respect to local traffic, that is, traffic which does not extend from one line to another; and make it the duty of the board of the new company to decide from time to time upon the arbitraries or proportions with which each company is to be credited for through traffic, that is, traffic which does extend from one line to the other, whether arising on or off any of the three lines.

13. Let the account of each company be charged with the working expenditure connected with such company only and with a proportion of the other working expenditure based on some equitable principle to be decided by the board.

14. Let the usual arrangements between companies be carried out with respect to the use of rolling stock and equipment, repairs, supplies, etc., etc.

15. Let the accounts be adjusted monthly or at some other convenient period; and let the net results to which each company is entitled be from time to time paid over to such company subject to any special provision with respect to the fixed charges of the new company.

16. Each company would of course use the money it received in this way in payment of its fixed charges and other liabilities and would divide the surplus by way of dividend among its stockholders or use it in such way as the company's board of directors might decide.

17. Branches from the present Grand Trunk railway and Canadian Northern railway systems which it might be advisable to construct or acquire in the future would be constructed or acquired by the company with whose system they connected and not be the new company, but when acquired or constructed they should form part of the system and be operated by the new company. Branches from the lines of the new company might be treated in the same way.

18. If it were thought advisable to acquire steamboats, this could be done by such of the three companies as the parties might find most convenient, but the new company would operate them as part of the whole system; or steamboats might be acquired by a subsidiary company or companies and the stock and other securities in these companies might be divided as agreed.

19. The position of the Canadian Northern Railway Company is a very simple one as all its lines with the exception of those leased from the Northern Pacific Companies belong to the Canadian Northern railway. There are however a few miles between Edmonton and Strathcona which belong to the Edmonton, Yukon and Pacific Railway Company. Powers of amalgamation between the Canadian Northern Railway Company and this company have been conferred by Parliament and could be acted upon whenever required. The position of the Grand Trunk Railway Company is, I fancy, much more complicated; and it would be necessary when considering the details of any scheme under this memorandum to consider the legal position of the various subsidiary companies of the Grand Trunk Railway Company, so that their interests would not be prejudicially affected or any legal blunder made.

20. Whatever the disadvantages of an arrangement of this kind above indicated might be (and probably any scheme which could be devised would have certain disadvantages), it would have the following advantages; viz;

First: It would bind the Grand Trunk railway and the Canadian Northern railway systems together as permanently as the present circumstances would warrant, short of amalgamation.

Second: It would leave the shareholders and security holders of the Grand Trunk Railway Company and of the Canadian

Northern Railway Company undisturbed. They would not have to place a value upon their holdings before the scheme could be carried out.

Third: It would give to the Grand Trunk Railway Company and to the Canadian Northern Railway Company all the earnings which their respective systems would produce, neither getting an advantage in this respect over the other; and it would give increased facilities for handling through traffic.

Fourth: It would practically turn all the lines into one system operated by one management thereby promoting efficiency and reducing general operating expenses.

Fifth: It would enable each company to extend its own system by the construction or acquisition of branch lines, etc., and to make such capital expenditure for betterments, improvements, etc., as it might think fit, the only condition being that these branch lines, etc., would be treated as part of the general system and be operated by the central management.

Sixth: Should either company get into default under its securities and should the security holders take possession, it would not greatly disturb the financial position of the other company; and would practically be only a change of ownership from the shareholders to their security holders of the company in default. Some satisfactory arrangement with the new owners would no doubt result.

Seventh: It would facilitate the making of financial arrangements for the early construction of the line of the new company.

Eighth: It would pave the way for an ultimate true amalgamation of the systems.

April 13, 1903.

I am not quite sure that this copy of the memorandum was the final draft as presented to Sir Rivers Wilson. There was, I think, something added by way of providing either for the choice of an umpire, or for arbitration in case of disputes. As I have already stated, the Grand Trunk Railway management were not open to negotiations and they insisted on being given authority to extend the Grand Trunk Railway system into the western provinces and ignoring entirely the Canadian Northern railway which meant entering into a railway-building race with Messrs. Mackenzie and Mann. We know now who had the best of it.

We are all familiar with the agreement finally arrived at in the fall of 1903 between the Dominion Government and the Grand Trunk Railway Company for the building of the transcontinental railway. The Grand Trunk Pacific Railway Company was to build and own the western division extending from Winnipeg to the Pacific coast, and the Dominion Government was to construct and own the eastern division from Winnipeg to Moncton. The Grand Trunk Railway Company was to own the capital stock of the Grand Trunk Pacific Company, the Government was to guarantee the bonds of the Grand Trunk Pacific Company up to 75 per cent of the cost of the road, and the Grand Trunk Railway Company was to guarantee the balance. Both divisions were to be operated by the Grand Trunk Pacific Railway Company, the eastern division under lease for a term of 50 years and subject to be renewed for a like term. The rent during the first seven years was to be the payment of the general expenses of the company during that period, and during the remaining forty-three years the annual payment of 3 per cent on the cost of the Eastern Division.

Honourable gentlemen know also that it was provided in the agreement that the Grand Trunk should have the means of controlling the cost of the road. No contracts—in fact, no expenditure—could be made without the engineers of the Grand Trunk having access to all the details and being able to control the expenditure, which was but right, as the Grand Trunk Pacific was to pay as rental the interest on the cost.

The Eastern Division was built by the Government as agreed, at a cost of $159,881,948 (Royal Commission Report, p. xii), and when it was completed the Grand Trunk Pacific Railway Company refused to take it over on lease as agreed, and the Government remained saddled with it and obliged to operate it at a very heavy loss.

As to the Western Division, it was built by the Grand Trunk Pacific Railway Company, and it has now a debt of $243,177,070. The result of operations in the past has shown the following losses: for 1913, $2,678,076; for 1914, $4,129,952; for 1915, $6,674,745; for 1916, $5,297,189; for 1917, $5,707,581; for 1918, $7,389,568; in all $31,967,111—apart from taxes and other important items which are not given for the years 1913 to 1916 inclusive; apart also from the losses on the operation of the Grand Trunk Pacific branch lines which were quite heavy. It appears evident that the result of this failure is due to wrong judgment on the part of the Grand Trunk railway management in pressing this venture upon the Government in 1903, their utter disregard of the Mackenzie and Mann's interest in 1903, and the improvident manner in which the enterprise was carried out, especially the building of trunk lines at enormous cost without feeders. The Canadian Northern management, both in that respect and in lowering the initial cost of their lines, have shown much better judgment. It may be opportune here to quote some of the findings of the members

of the Drayton-Acworth Commission, because we find their appreciation of the case as made by the Grand Trunk Company. I refer to pages 22 and 23 of the report. After setting out the grounds taken by the Grand Trunk Pacific the commissioners proceed to say:

> But though the Grand Trunk did not originate the National Transcontinental, it accepted full liability for it. The agreement between the Grand Trunk Pacific and the Dominion Government provided as follows: "in order to insure, for the protection of the company as lessees of the eastern division of the said railway, the economical construction thereof in such a manner that it can be operated to the best advantage it is hereby agreed that the specifications for the construction of the eastern division shall be submitted to and approved of by the company before the commencement of the work, and the said work shall be done according to the said specifications, and shall be subject to the joint supervision, inspection, and acceptance of the chief engineer of the company."
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> Upon this provision the Grand Trunk Pacific Company, in an official publication, "The Grand Trunk Pacific; Canada's National Transcontinental Railway; 10th edition, January, 1912," comments as follows:—
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> > "Since the rental payable by the company to the Government for the use of the eastern division is a percentage on the cost of construction, it will be observed that it is a matter of great importance to the company that this item 'cost of construction' shall be determined on the most economical basis consistent with a well-built railway, in which respect the foregoing provision contained in the agreement fully protects the company."
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> The company, then, appreciated that "cost of construction" was to it a matter of great importance, and considered that it was fully protected by the terms of the agreement. But as, in spite of the right of the company to approve specifications and the right of the company's chief engineer to supervise and inspect the work, the cost of construction of the National Transcontinental, which had been estimated at $61,415,000 was permitted to reach $159,881,197, the company objected to carrying out their bargain. And the Government, by accepting the company's refusal and commencing to work the line themselves, have in effect released the company unconditionally. The National Transcontinental is now part of the Government Railways. We make at this stage only two comments on what is past history: The one that the people of Canada have been generous to the shareholders of the Grand Trunk Pacific; the other that the Grand Trunk Pacific shareholders, in other words the Grand Trunk Company, have not shown such prudence and business foresight as would naturally encourage the Government to have confidence in their future management.
>
> The refusal of the Grand Trunk Pacific to take over the operation of the line from Winnipeg to Moncton, with the result that the eastern half of the intended through route is being operated by the Government, has implied the temporary failure of the complete scheme as approved by Parliament. The line west of Winnipeg is at present being operated under the control of the Grand Trunk, the nearest point of whose rails is at North Bay, a thousand miles away. It would clearly be impossible for the Government to permit this as a permanent policy.

I have shown the position as it was at the outset, the refusal of the Grand Trunk to negotiate and join with the Canadian Northern, and the responsibility that they took in the matter, moral and otherwise. I have shown also what was the agreement between the Government and the Grand Trunk Pacific and the National Transcontinental. One would think that the terms of all contracts, especially those sanctioned by Parliament, should be respected; but, as to this contract, it seems that it was to endure only if it inured to the benefit of the Grand Trunk railway. The Government was allowed to go on for years building the National Transcontinental at enormous cost, and as soon as it was finished the Government was notified by the Grand Trunk Pacific that they would not respect the terms of the lease, and that the National Transcontinental would be left on the hands of the Government. The Grand Trunk Railway Company went further than that, after making, mainly, through their subsidiary company, the Grand Trunk Pacific Company, successive raids on the Government exchequer, and we only have to refer to the figures which have been laid before this honourable House by the Government to see the extent of those raids. I have here, in a return from the Finance Department of loans to the Grand Trunk Pacific, an item of $33,093,000, another of $6,000,000, another of $4,931,000, another of $7,568,000. In all, the Grand Trunk Railway Company through the Grand Trunk Pacific got a total of $113,998,000, including the fifteen millions which were advanced to the Grand Trunk prior to Confederation, which amounts now, with interest, to $26,000,000 odd.

On the fourth of March, 1919, Sir Alfred Smithers notified the Government that they would cease operating the Grand Trunk Pacific, and the reason naively given in that letter was:

> Our solicitor advised that we were not entitled to use Grand Trunk funds for the operating expenses of the Grand Trunk Pacific.

May I suggest that the solicitor of the Grand Trunk railway in thus advising completely lost sight of the terms of the statute which provided that the Grand Trunk was to hold all the stock of the Grand Trunk Pacific, and was to remain in possession of the stock until the guarantee of the Government would be entirely discharged. It was clearly intended by that part of the Act and by the agreement that the Grand Trunk

was to take care of the Grand Trunk Pacific and see that the liability incurred by the Government was taken care of and finally discharged. Mr. Smithers must have thought that Canadians were very naive to sign such an agreement. At the outset the Grand Trunk was allowed to gobble up all the stock of the Grand Trunk Pacific, and to operate it for its benefit; and the Grand Trunk, under its charter, would not be justified in making advances to the Grand Trunk Pacific! Evidently the same doctrine did not apply when the Grand Trunk advanced as much as $8,355,000 to the Central Vermont Railway, as stated by the Minister of Railways, in Hansard, at page 1450. That was a company chartered in the United States, and owning 246 miles of railway, and running with deficits for many years.

The secret of the whole trouble is that the public of this country, and the Governments—Conservative, Liberal or Unionist—have too much horror of receiverships. A railway company has only to be financially involved, and is sure to bring the Government to its terms by merely threatening to go into a receivership. On the other side of the line, they have not shown such a horror of receiverships. Most of their railways, as honourable gentlemen know, have gone through a receivership, and it has not affected the credit of the country. I myself have been assessed as a shareholder in the Union Pacific and the Northern Pacific and several other roads, and I am not the worse for it. Capitalists are always found to underwrite the amount necessary to put the company on a good footing again in case those interested are not willing to carry their share of responsibility.

I have no desire, honourable gentlemen, to disparage the Grand Trunk railway. The Grand Trunk Railway Company have rendered considerable service to this country. They have been pioneers and they have given a good service, too. But they have done so as a matter of investment, with the sole expectation of reaping the benefits of their enterprise. They should be treated fairly, even, as far as I am concerned, generously; but they should be treated in a businesslike way. I am going into these details as a foundation for my argument, because I purpose showing that under the Bill they are not treated in a businesslike way. They are not treated as they should be treated or as this country should be treated in regard to the Grand Trunk Railway or the Grand Trunk Pacific. I think it would be a salutory lesson to promoters of all classes to deal with railways in a businesslike way, and so as to protect in a fair measure the taxpayers of this country.

I may call attention to this fact. It has been urged that there may be widows and orphans who have invested in this road a large amount of money. Now we are not dealing with the original investors. The money that has been invested was invested in this road many years ago. In many cases the stock has changed hands many times, and it has changed hands, not on the figures that originally prevailed, but on the market price obtaining for the time being.

Before I discuss the merits of the Bill, I desire to dispel the idea that, in what I have already said or may say, I am at all influenced by my interest in the Canadian Pacific railway, or because I am a member of the board of that great corporation. Not that I consider that the Canadian Pacific railway, as a corporation, is not entitled to freely express its opinion on a question of such vital importance to the country. I think not only is it right for the company to do so, but the magnitude of its interest in the welfare of this great Dominion, and the valuable experience it has in matters of this kind, makes it its duty to pass judgment upon the measure which is now engaging our attention. I have, however, neither mandate nor qualification to discharge that function. I am speaking here solely in my capacity as a member of Parliament and as a Canadian who has some individual interest at stake in the affairs of the country being properly administered.

Some of the members of the Government have gone so far as to suggest that the reason of the opposition of the Canadian Pacific railway to this measure was their desire to purchase the Grand Trunk themselves or acquire a monopoly of the railways in Canada. The suggestion is, to my mind, the very worst compliment which may be paid to the good judgment of the Canadian Pacific Railway management. The Canadian Pacific railway has its own transcontinental line, which is second to none on the continent, with its feeders and its great fleet of steamers on both the Atlantic and the Pacific. The whole is in splendid condition, and able to compete with any other line. Its interest is not to acquire a monopoly. If it did, it would have public opinion against it and demands for the lowering of rates. With the creation of the Railway Board of Canada and the Inter-State Commerce Commission in

the United States, the day of railway monopoly on this continent is past. The public has its protection in its own hands. and railway corporations and public utilities of all kinds can prosper only so long as their administration enjoys the confidence and the approval of the people. I have in mind a great corporation in the city of Montreal, the Montreal Light, Heat and Power Company, distributing electric light and gas both for industrial and domestic purposes in Montreal and surrounding municipalities. It stands as an example of what I say. I know of no company which was more criticised at one time than that company for what was alleged to be its high rates, its policy of combine and its watering of stock. Several years ago the company adopted a new policy, that of reducing its rates as its dividends were increased; and, notwithstanding very strong competition in Montreal and surrounding municipalities, the company has remained in possession of its business, and has increased its business enormously, and is now giving satisfaction to the whole public, and we never hear and have not heard for years of any criticism of the company. If there is any weak spot in the management of that company, it is in the gas department, where it lacks competition. I have no hesitation in saying that, in my opinion, in industries of all kinds fair competition and public confidence are essential conditions of permanent prosperity. The property of the Canadian Pacific railway represents value exceeding a billion dollars out of a total national wealth of some sixteen billions, as was stated by the honourable gentleman from Toronto (Hon. Mr. Nicholls) last night; and the Canadian Pacific railway cannot fail to recognize that its interests are intimately linked up with the interests of the Dominion of Canada, and that the future value of its property depends entirely upon the development and prosperity of this country, which must necessarily be very much influenced by a sane railway policy, or by an insane policy such as the one we are now considering. Was there anything in the long and brilliant career of Lord Shaughnessy as president of the company to lead us to suppose that he or his worthy successour Mr. Beatty would be influenced in passing judgment upon a question of this kind by egotism or by the fact that they may have to compete with national railways? I have no mandate to speak for the Canadian Pacific, but my own strong opinion is that it is necessary for the Canadian Pacific railway as it is necessary for any other large company, to have competition. Competition is one of the greatest sources of success now-a-days, because companies of that kind cannot prosper permanently without being in a position to give satisfaction to the people. In my own judgment it would be a misfortune for the Canadian Pacific to be the only railway in Canada, because they would be criticised; whether their rates were excessive or not, those rates would be considered excessive by the people at large and people would feel dissatisfied.

It has been said that, as a consequence of this Bill, the people of Canada will assume new obligations to the extent of about half a billion dollars. This is dealing merely with the Grand Trunk. What we have to consider is not only the debt of the Grand Trunk, but the debt of the whole system of the Grand Trunk; and not only that, but also the debt of the Grand Trunk Pacific and of the Grand Trunk Pacific branch lines, and we have only to refer to the blue-book which is before us, at page 26, to find out what the figures are. We have there a "memorandum re Grand Trunk Railway System Funded Debt and in the hands of the public in 1917." This goes back to 1917, and the debt is much larger to-day than it was then. It must be thirty, forty, or fifty millions more. The funded debt is placed at $448,703,356; equipment notes, $7,730,115; guaranteed and preference stock, $133,286,651; common stock, $118,209,695; total securities with public, $707,929,817; exclusive of Government loan to the Grand Trunk the figure of which there given is $15,162,633. But I said a moment ago that the debt, which was ordinarily fifteen millions, is now stated by the Government as being $26,679,000 with the interest added. So this gives a total of $724,676,000 for the Grand Trunk Railway system.

Now, on referring to some figures which were brought down by the Government in answer to my question, I find that the indebtedness of the Grand Trunk Pacific and the Grand Trunk branch lines, amounts to $243,177,000, making a total of $977,833,000, and I understand there are several items which are omitted in that. On examining the return made by the Finance Department I find an item of $6,000,000 which does not appear to be mentioned in the blue-book. I find another item of $34,591,000, and another item of $7,568,000, and I am satisfied that the figures are altogether incom-

plete; and we shall be astonished when the country is called upon to pay the bill. I am satisfied that the Deputy Minister of the Department of Finance, as well as the Deputy Minister of the Department of Railways, have done their best, but they have dealt with two different systems. Their books are no doubt pretty much complicated, and I am not surprised that the figures are not clearer than they are.

It may be a repetition of what has been said, but I must go, though not at length, into the question of government ownership or government operation of railways before taking up the Bill, because it is a very important question. It is to my mind the most important question before the country, and it is our duty to try to enlighten the people of this country on this question. I know that this is somewhat of a fad at the present time in certain parts of this Dominion; but I am satisfied that it will soon come to an end, because, not so much of the experience in other countries, but of the result that will be shown by government-owned railways here.

Reference has been made to the opinion of Mr. Acworth, one of the Royal Commissioners. I have here the revised opinion of this gentleman. He prepared a historical sketch of government ownership of railroads in foreign countries, and it was presented to the joint committee of Congress on Interstate Commerce. It is dated May, 1917. I have also "Government Ownership of Railroads and War Taxation," by Mr. Otto H. Kahn, of New York, where he expresses his own opinion on the question, and gives a summary of Mr. Acworth's opinion. I will read two or three pages of this latter work:

> For a concise statement of the results accomplished elsewhere under government ownership I would recommend you to obtain from the Public Printer, and to read, a short pamphlet entitled "Historical Sketch of Government Ownership of Railroads in Foreign Countries," presented to the Joint Committee of Congress on Interstate Commerce by the great English authority, Mr. W. M. Acworth. It will well repay you the half hour spent in its perusal. You will learn from it that, prior to the war, about fifty per cent of the railways in Europe were state railways; that in practically every case of the substitution of government for private operation (with the exception, subject to certain reservations, of Germany) the service deteriorated, the discipline and consequently the punctuality and safety of train service diminished, politics came to be a factor in the administration and the cost of operations increased vastly. (The net revenue, for example, of The Western Railway of France in the worst year of private ownership was $13,750,000, in the fourth year of government operation it fell to $5,350,000.) He quotes the eminent French economist, Leroy-Beaulieu, as follows:
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> "One may readily see how dangerous to the liberty of citizens the extension of the industrial regime of the State would be, where the number of functionaries would be indefinitely multiplied. . . . From all points of view the experience of State railways in France is unfavourable as was foreseen by all those who had reflected upon the bad results given by the other industrial undertakings of the State. . . . The State, above all, under an elective government, cannot be a good commercial manager. . . . The experience which we have recently gained has provoked a very lively movement, not only against acquisition of the railways by the State, but against all extension of State industry. I hope . . . that not only we, but our neighbours also may profit by the lesson of these facts."
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> Mr. Acworth mentions as a characteristic indication that after years of sad experience with governmentally owned and operated railways, the Italian Government, just before the war, started on the new departure (or rather returned to the old system) of granting a concession to a private enterprise which was to take over a portion of the existing state railway, build an extension with the aid of state subsidies, and then work on its own account both sections as one undertaking under private management.
>
> I may add, as a fact within my own knowledge, that shortly before the outbreak of the war the Belgian Government was studying the question of returning its state railways to private enterprise and management.
>
> Mr. Acworth relates a resolution unanimously passed by the French Senate a few years after the State had taken over certain lines, beginning: "The deplorable situation of the State system, the insecurity and irregularity of its workings." He gives figures demonstrating the invariably greater efficiency, economy and superiority of service of private management as compared to State management in countries where these two systems are in operation side by side. He treats of the effect of the conflicting interests, sectional and otherwise, which necessarily come into play under government control when the question arises where new lines are to be built and what extensions to be made of existing lines.
>
> He asks: "Can it be expected that they (these questions) will be decided rightly by a minister responsible to a democratic legislature, each member of which, naturally and rightly, makes the best case he can for his own constituents, while he is quite ignorant, even if not careless, of the interests, not only of his neighbour's constituency, but of the public at large?" And he replied: "The answer is written large in railway history. . . . . The facts show that parliamentary interference has meant running the railways, not for the benefit of the people at large, but to satisfy local and sectional or even personal interests." He maintains that in a country governed on the Prussian principles railroad operation and planning may be conducted by the Government with a fair degree of success, as an executive function, but in democratic countries, he points out that in normal times "it is the legislative branch of the Government which not only decides policy but dictates always in main outline, often down to the detail of a particular appointment or a special rate, how the policy shall be carried out."

I have read this extract from the pamphlet in order to save time because it is a good summary of the opinions expressed by this gentleman in this book. Any honourable gentleman who may desire to consult the pamphlet itself may have it for that purpose. I will confine myself to giving short extracts from the historical sketch. Mr. Acworth says, under the title, "The Lessons of Foreign Experience":

Such is an outline history of the introduction of State ownership in the less important half of the railway world.

He has made a complete review of railways in the different countries.

What lessons has it to teach for the more important half, the United States and the United Kingdom? Evidently, in these two countries it will not be suggested that State ownership is necessary for political and military reasons. The consciousness of political unity needs here no artificial stimulus. The experience of England since the present war began has sufficiently demonstrated that a number of independent and often competing private companies can be welded together at a moment's notice into a homogeneous system, and operated from the moment when war is declared, with absolute success as an organic whole, under public control, on public account, for the public service.

This is merely a suggestion of a traffic agreement, which has been mentioned by several honourable members who have spoken on the question:

Railway history conclusively refutes the idea that State ownership promotes railway development. If we consider countries where the railways are already making a reasonable return on the capital, what do we find? Belgium has notoriously failed to keep its railways abreast of its rapidly growing trade. The Prussian Government has consistently for a generation past forced the enormous coal and iron traffic of Lorraine, Luxemburg and Westphalia on to the waterways, by refusing to build the new lines necessary to cope with the traffic by land. American shippers sometimes complain of shortage of equipment. But these complaints in times of worst congestion are not more bitter than those which go up regularly every autumn from the coal operators of the Ruhr Revier, the most important coal field in Prussia. In Australia the managements of the Government railways have boldly defended themselves in times of bad congestion by claiming that the railways cannot afford to keep sufficient equipment to cope with maximum demand.

I may say that in Australia, as is well known, government ownership was adopted because private enterprise could not be found which would invest the necessary capital in the building of railways. The Government had to do it themselves. But it is well known also that that is one of the countries where railway service is most expensive.

The only additional quotation which I desire to make from this book is the conclusion. In conclusion Mr. Acworth says:

President Hadley—

He is president of Yale university and has published a very good book on railway transportation. He is an authority on the subject:

President Hadley has summed up the conclusions of the Italian Railway Commission based on the railway experience of the world, as it existed 35 years ago, as follows:

(1) Most of the pleas for State management are based upon the idea that the State would perform many services much cheaper than they are performed by private companies. This is a mistake. The tendency is decidedly the other way. * * * The State is much more likely to attempt to tax industry than to foster it.

(2) State management is more costly than private management. * * *

(3) The political dangers would be very great. Politics would corrupt the railroad management, and the railroad management would corrupt politics. * * *

Honourable gentlemen, I believe that attention has not been sufficiently given to the fact that, as a result of clause 11, which is very short, the Government is not only assuming the debt of the Grand Trunk system by purchasing the railway, but it is also assuming the debt of the Grand Trunk Pacific system and giving a clean sheet to the Grand Trunk railway for all the advances which have been made to the Grand Trunk Pacific, and for the purpose of arbitration is making good the claim of the Grand Trunk against the Grand Trunk Pacific and the Grand Trunk Pacific branch lines, and affecting the government claims. I call special attention to that point, because I think it is of considerable importance.

Hon. W. B. ROSS: Will the honourable gentleman excuse me? Is it his point that the Government in buying the Grand Trunk Pacific thereby cancels the debt of the Grand Trunk Pacific to the Grand Trunk, on the theory that when you become the owner of the Grand Trunk you cannot owe yourself, and that therefore the $97,000,000 is wiped out?

Hon. Mr. BEIQUE: And the $21,000,000 also.

Hon. Mr. ROSS: That point escaped me in examining the Bill. When you come to the arbitration clause some provision will have to be made that in the assessment of valuation of the Grand Trunk Pacific this debt has to be taken into account, because, if it is merged, we are going to be badly hurt.

Hon. Mr. BEIQUE: Of course, I am dealing with the Bill as it is. Section 11 says:

Upon the transfer to or vesting in the Government of the preference and common stock as herein provided for, the Governor in Council may provide for the discharge of the receivership of the Grand Trunk Pacific Railway System and the termination and withdrawal of the proceedings in the Exchequer Court of Canada relating thereto.

Hon. Mr. CASGRAIN: It is a receipt for everything.

Hon. Mr. BEIQUE: Why? It is because the Government assumes the debt of the Grand Trunk Pacific as owner of the stock of that company which is in the treasury of the Grand Trunk Railway Company. Then I refer to clauses 3 and 4, which say:

The said agreement shall contain provisions for the defining of the companies, properties and interests comprised in the Grand Trunk system, and, including the terms and provisions hereinafter set forth, may contain such other terms and conditions not inconsistent with the provisions of this Act, as the parties may agree upon.

As part of the consideration for such acquisition, the Government may agree to guarantee the payment of:

(a) Dividends payable half yearly, at four per cent per annum, upon the present guaranteed stock;

(b) The interest upon the present debenture stocks.

The power which the Government is taking is the power to make an agreement which must not be inconsistent with the provisions of the Act; and, as far as that point is concerned, I say that if the Act were to remain as it is, that claim would be entirely wiped out, and for the purpose of arbitration it would not be considered, because the Bill is going on the assumption that the Government is taking possession of the Grand Trunk Pacific and assuming all its liabilities, and is therefore discharging the guarantors of the Grand Trunk, or discharging any debt owing to the Grand Trunk, or obliging itself to make good any amount owing to the Grand Trunk by reason of advances made to the Grand Trunk Pacific.

I desire also to call attention to another point which has some connection with this. By reason of the fact that the Government undertakes to guarantee the 4 per cent guaranteed stock and pay par ultimately, the Government is giving a value to that stock. It is giving par value to that stock, and it is therefore giving a value to any security which is subsequent to that stock. It will be argued before the arbitrators that the Government, having admitted that the $60,000,000 are worth par, has acknowledged the value in the property, and that will tend to increase very much the appreciation of the other stocks which are to be subject to the arbitration.

Another point to which I desire to call attention for a moment is the very important question of traffic agreements. The whole contention of the Government is that they must buy the Grand Trunk system because there are no other means to meet the difficulty. If that were true, there would be force in the argument; and I think it is of great importance to show that that contention is not correct, but that there are means at the disposal of the Government to attain its object, and I think that every person who has some knowledge of railway matters will say that it can be as well attained through a traffic and running right agreement. It is well known that during the war, in order to avoid congestion it was necessary to co-ordinate the Canadian railways. There was what was called a War Board Association, which, so to speak, took hold of the different railways to meet the difficulties. It is known also, and acknowledged, that the railway service in Canada was the best service on the continent—by far superior to that in the United States—and that the War Board Association gave entire satisfaction.

What was done satisfactorily during the war can be done satisfactorily in peace time, and it is being done. The association is being continued, and the members of the association are these:

Algoma Central and Hudson Bay railway.
Algoma Eastern Railway.
Atlantic, Quebec and Westrn Railway.
Canada Southern Railway.
Canadian National Railways.
Canadian Pacific Railway.
Central Vermont Railway.
Dominion Atlantic Railway.
Esquimalt and Nanaimo Railway.
Grand Trunk Railway System.
Grand Trunk Pacific Railway.
Kettle Valley Railway.
Ottawa and New York Railway.
Quebec Central Railway.
Quebec and Oriental Railway.
Temiscouata Railway.
Temiskaming and Northern Ontario Railway.
Toronto, Hamilton and Buffalo Railway.

All the railways of Canada are represented on the board, and the organization has an honorary chairman, an executive committee, an operating committee, with sub-committees on transportation, car service, rolling stock, wage agreements, engineering,

and lines west of the Great Lakes; it has also a traffic committee, a financial committee, with a subcommittee on claims, and even a legal committee.

The Canadian Railway War Board was formed in October, 1917, and was a voluntary organization, including all steam railways operating in the Dominion of Canada. It was composed of a number of committees of railway experts working under the direction of an executive consisting of the presidents of the principal lines.

Prior to the fall of 1917, the railways had coped successfully with the heavy burden of troops and munitions which had been thrown upon them by war conditions. It then became evident that if this record was to be maintained through the approaching winter, and with the railways to the South almost at the breaking-point, the efficiency of the several companies would require to be moved up to the highest notch. This could be done only by the eliminaton of unnecessary light movements and duplicate train service; by the centralization of engine and car distribution and by similar processes, under the guidance of a body which would have jurisdiction over all lines and whose knowledge and experience would result in the proper arrangements being made at the right time, and without undue interference with the local operations of the individual railways. After a number of conferences between the Government and railway authorities the organization I have described was established.

Under the direction of the board, traffic was diverted from overburdened lines; locomotives were loaned to railways which were in need of them; rolling stock was devoted to the movement of troops and munitions in greater quantities; industries were kept supplied with freight cars by the switching of surpluses from one line to another; and efficiency was further promoted by the heavier loading of cars and trains and by regulation of the shipment and flow of traffic.

With a view to further safeguarding transportation from interruption, an agreement was negoiated with railway labour organizations whereby, in the event of dispute, instead or resorting to the strike or lockout, matters which were not settled amicably by the interested parties themselves were placed before a Board of Adjustment composed of an equal number of railway and labour executives, whose decisions were accepted as final and binding. That, during a period of general labour unrest, the Canadian railways have been practically free of strikes, is a tribute to the knowledge, experience and judgment of the members of the Board of Adjustment. It is no doubt true that in any other circumstances than those in which the board was established, its formation and spirit would not have been possible.

The wisdom of the plan of operation expressed in the Canadian Railway War Board is manifested in Canada's war-time transportation record, for in no other country did the railways so successfully discharge their war duties and at the same time maintain a fully adequate service for the movement of domestic goods and passengers. It is significant also that in no other country was the operation of the railways left entirely in the hands of the Railway Executives.

It has been said that what co-operation and co-ordination could accomplish for the good of the public service in war conditions they can achieve in times of peace, and it is realized that this is true of the railway system. In matters of car supply, train service and dealings with labour, which are vital to the nation's welfare, the railways can give better service by acting in concert as necessity arises, rather than as individuals. With this thought in mind the railways have united in forming an association which takes the place of the Railway War Board. The association is organized along lines similar to the War Board and, through its executive and committee, will deal with railway questions from the standpoint of the country as a whole. The new organization includes both government and privately-owned railways, and, as in the case of the War Board, is composed of groups of railway officers whose policies and action, unhampered by outside interference or control, assure to Canada continuance of the present efficient railway service, which is unequalled in any other country.

Now, honourable gentlemen, this is a way out of the difficulty; but, apart from that, what I claim is—and it has already been demonstrated, I am sure, to the satisfaction of every honourable gentleman who has listened to what has been said—that our Railway Board has all the power necessary to do that very same thing, and if they have not the power, it is easy to add to their powers. If the Government is afraid, for instance, that a traffic agreement with the Grand Trunk will not be respected, what prevents the agreement being made in such

a way that the carrying out of it will be entrusted to three or four persons—a commission which will represent both interests, and will see that it is properly carried out in the interests of both parties. I claim that it is easy to provide for things of that kind. The great misfortune of this country has been the waste of money in duplicating lines in the East as in the West. Hundreds of thousands of dollars—millions, you may say—a billion or more—have been lost and wasted through that policy, and the sooner the Parliament of Canada makes up its mind to stop that waste the better it will be for all parties concerned. I think all railways have come to recognize that the time has passed when a second line should be built, if there is a line already built which can render proper service to the public. What is required is that, whether it be the Canadian Pacific or the Grand Trunk, or whether it be one terminal or another, that line or that terminal should be placed at the disposal, on fair terms, of all railways which may have the need of it, and which may require its joint use for the purpose of serving the public. I claim that the Government has at its disposal all that is necessary to attain its object, without having to resort to the acquisition of the Grand Trunk.

The advantage of private over government ownership may be better shown by what has been done by the Canadian Pacific. Let us for a moment wipe out the Canadian Pacific railway as a corporation and suppose that it had never existed, and that the building and operation of railways would have been left to the Government. Would there be at this date a Transcontinental in Canada? Would the Northwest and British Columbia be organized into four different provinces with cities like Winnipeg, Vancouver, Victoria, Calgary, Edmonton, Regina and a number of other smaller cities? Would these provinces be populated as they are now and have become granaries of the world? Would there be a series of hotels as those built at a cost of 22½ million dollars throughout the whole continent and operated as they are by the company? Would you see 29 steamships and 28 coastal steamers representing gross tonnage of 307,450 and a value of 27½ million dollars plying both oceans and the lakes, making the railway, so to speak, a belt around the world and booking passengers in London and transferring them always under the same management to almost any part of the Orient? Would you see now the large area of Alberta irrigable lands, some 650,000 acres, originally hardly worth anything and now selling as irrigated land (already at a cost of 18½ million dollars) from over $31 to over $52? Would the Government have invested 10½ million dollars in commercial telegraph lines? I could go on enumerating a number of other large investments made by the Canadian Pacific railway and helping the development of the country as no government would have done, such as office buildings, coal mines, tie and timber mills, and stockyards, representing over ten million dollars. The Grand Trunk Railway Company cannot make the same showing, but it has all the same a record of which it may be proud. Consider what that company has done for the development of Canada only by the extension of its railway system to several points of first importance in the United States, which was the best means of creating traffic and which again no government would have done. The building of the Chateau Laurier, which has done so much for Ottawa, is in itself another illustration of my contention.

It is well known to anybody who has followed the development of railways in the United States, especially in the western part of the United States, that those parts of the United States have been developed mainly by the railways. The Great Northern railway, the St. Paul, the Northern Pacific, and several other railways, have expended millions and hundreds of millions of dollars for the purpose of creating industries on their own lines. They realized twenty or twenty-five years ago that the future prosperity of their companies was dependent upon encouraging people to establish industries, and not only to establish industries, but to help in the development of the farming industry; and, if the western part of the United States is as far advanced and as far developed as it is to-day it is due to private enterprise of railway companies serving those territories.

Now, I sum up my remarks by saying that unless there be no other means to meet the difficulty, it would be criminal, it would be folly, and it would be insane at this time, when the country is loaded as the country is with a debt far exceeding two billion dollars, when the Government is borrowing as much as five million dollars to pay the deficits in its exchequer for the present year alone, when it is perfectly clear that this operation will have to be repeated next year and the year following, to load the country with a billion more of obligations. I am afraid our minds have not taken their proper balance. We have been piling up money during the war, because, as it was

very properly said by the honourable gentleman from Toronto, we are selling all our produce at exorbitant prices. We have acquired wealth during the war-time, and we imagine that there is no need to economize—that we may go on and spend money, millions of it, and that the money will always be at our disposal. But honourable gentlemen must realize that it cannot last for a great many years. Things will have to come down to normal, and we will soon see the day—too soon, I am afraid—when the utmost economy will have to be practised, or we will have the greatest crisis that we have ever had on this continent of America. So that, honourable gentlemen, I think it is time for us to pause and see whether there are not other means than the proposal to go into the purchase of the Grand Trunk railway, assuming all the obligations and discharging the obligations of the Grand Trunk. The Canadian Government has at its disposal a very large claim against the Grand Trunk Company. It is a claim exceeding a hundred million dollars. The Grand Trunk is responsible for the Grand Trunk Pacific. I do not suggest that the Grand Trunk be crushed down. It is a great corporation. I think it can be treated fairly and liberally, so that it can go through its present difficulties, carry on its present enterprise without imperilling the interest of the country; the Government, instead of wiping out the Grand Trunk Company and assuming all its responsibilities, can use its legitimate claims against the Grand Trunk for the purpose of obtaining a traffic agreement on such terms as will fully protect its own railway.

Now, honourable gentlemen, I have summed up in a concrete form the different reasons which I have to urge against this Bill, and I will read them without further remarks.

I am against this Bill for the following reasons:

1st. Because it involves government ownership and operation of railways under the control of the Government, which is always much more expensive, much less efficient, destructive of individual energy, removing all incentive of interest, demoralizing, and inevitably used as a political machine by the Government for the time being.

2nd. Because practical experience here, in the United States, in England, France and other countries, has proved that government operation of railways is ruinous.

3rd. Because the acquisition of the Grand Trunk system will add enormously to our already appalling public debt, and imperil the credit of the country.

4th. Because lack of information prevents our realizing the extent of expenses to which the country will be committed and of the deficits which it will have to meet from year to year.

5th. Because the acquisition of the Grand Trunk railway, apart from loading the Dominion of Canada with some $970,000,000 of new obligations, a large portion of which are already matured or soon to mature, implies the loss for the development of this country of the help of all the English capital invested in the Grand Trunk railway and of the important credit which that capital may command for the future development of the property.

Let me pause here to recall what was very properly said by the honourable gentleman from DeLorimier (Hon. Mr. Dandurand) on that point, and to draw again attention of the House to the importance of conserving in the interests of this Dominion the influence and credit of the English capitalists who are already interested in the Grand Trunk. They cannot be replaced. Will their energy and their credit be replaced by government operation or government ownership? Can anybody suggest that seriously? It is a most valuable asset which cannot be replaced.

6th. Because the condition of unrest in different classes of society resulting from the war renders this measure still more objectionable.

7th. Because the Grand Trunk railway, being a great international highway having connecting links extending to Portland, Boston, Chicago and other points in the United States, assures to this country the industrial advantage resulting from the transport through Canada of a very large volume of passenger and freight traffic originating in and destined to points in the United States, and because there is room for considerable apprehension that such traffic may be unfavourably affected by the change in control of the Grand Trunk system. All other things being equal, sentiment plays an important part in business affairs, and therefore connecting lines in the United States that have heretofore contributed traffic to the Grand Trunk system, and shippers who have been in the habit of using that route, will naturally be inclined to favour their own railways rather than one controlled by a foreign government.

8th. Because government ownership or operation of railways in a foreign country is inviting international troubles and difficulties.

9th. Because the purchasing by the Government of all the shares of the Grand Trunk railway, entailing the owning, controlling or leasing of over 1,665 miles situate or chartered in the United States, creates a very dangerous precedent, in opening the door to the United States Government adopting the policy of acquiring the shares of public utilities in Canada which would be considerably facilitated by the large amount of American capital already invested in this country and daily increasing. It might prove the shortest road to annexing Canada to the United States.

10th. Because all the advantages sought to be obtained by the Government for the Canadian National Railway system by this Bill, can be secured as effectively as by the proposed acquisition, by a traffic agreement with trackage rights between the Canadian National railways and the Grand Trunk Railway Company worked out on proper lines. The Canadian National Railway system being the natural ally of the Grand Trunk, it would be manifestly to the advantage of the Grand Trunk to have such relations with the Canadian National railways as would ensure to the Grand Trunk lines all the traffic originating on the Canadian National railways destined to points reached by the Grand Trunk system in Eastern Canada and in parts of the United States, and in return the Grand Trunk could give a very large and profitable traffic originating in Canada and the United States destined to points reached by the Canadian National Railways system.

11th. Because, even if the Grand Trunk Railway Company should fail to appreciate its own advantage of having with the Canadian National railways a comprehensive traffic agreement on the lines above mentioned, the Government, through its unquestionably legitimate claims against the Grand Trunk Railway Company for advances made to or guaranteed by the latter company, is in a position to secure such traffic agreement, including the joint use of roads and terminals as may be useful or necessary.

12th. Because the guaranteeing by the Government of the 4 per cent guaranteed stock, which is not in any sense a guaranteed security, its dividend being non-cumulative and payable only if there be funds to warrant its payment, after interest and dividend have been paid on ranking securities, constitutes an appreciation or increase in value of such 4 per cent guaranteed stock equal to at least from twenty to twenty-six million dollars, to the detriment of the taxpayers of this country and for the benefit of parties who may have been speculating in these securities.

13th. Because committing the Dominion of Canada to paying whatever value may be put on shares the face value whereof amounts to about $175,000,000 but the market value to only about $30,000,000, is improvident.

14th. Because the admission by the Government of the value of the 4 per cent guaranteed stock as resulting from its guaranteeing the same, will no doubt be invoked by the holders of the securities made subject to arbitration as establishing a value of such securities far in excess of the present market value thereof.

15th. Because the passing of the present Bill implies the Government taking over the Grand Trunk Pacific system with all its liabilities, and implies further that, in determining the value of the preferred and common stock of the Grand Trunk Railway Company, the arbitrators will have to treat the latter company as if it were relieved of its guarantee on bonds and other securities of the Grand Trunk Pacific system to the extent of $97,304,252 and as if claims of the Government for cash advances to the same company to the extent of $50,543,744 had been discharged, which will of course increase the value of the stocks subject to arbitration to the extent of these two amounts.

Honourable gentlemen, I have but one word more to say. Not only would this Bill load the Government with the fabulous amount of responsibilty that I have mentioned, but it would compel the Government, at a time when it is obliged to call for subscriptions to its Victory Loans, tc levy a large amount of money. If you refer to the return which has been made in answer to the question I put on the Order Paper, you will find that there is maturing on the 2nd of March, 1921, not far off, $9,720,000; on the 1st of April, 1919, and therefore now past due, $10,000,000; on the 1st of July, 1919, $15,000,000; on demand, $6,000,000; on demand, $25,587,000; a total of $66,307,000 to which must be added from another part of the returns a further sum of $21,000,000, making a total of $87,000,000. So we may expect that if this Bill passes, the Government must, before the session closes, provide Supplementary Esti-

mates for another $100,000,000 to meet these matured securities and to wipe off the obligation of the Grand Trunk.

I desire before resuming my seat to express my appreciation of the manner in which this debate has been conducted in this honourable House, and also of the good example which has been shown by a number of members on the other side, who, disregarding their party affiliations, have answered the call of duty to their own consciences and to the country and have taken the action which they believe to be in the public interest. It is a great lesson for the future, for members on this side as well as on the other side. I believe we are all, as a rule, too partisan. For my part, I can appreciate all the more the position taken by those honourable gentlemen, because I have myself on several occasions taken an attitude which was against the Government of the day, and I always had to congratulate myself for having done what I considered to be my duty, and for acting as I thought was in the best interest of the country. It is a great lesson for this honourable House and for the country at large, and it is of such a nature as to raise this House in the estimation of the country.

Hon. Mr. BELCOURT: Honourable gentlemen, the House has been sitting since 11 o'clock this morning, and everybody is very tired.

Some Hon. SENATORS: Go on.

Hon. Mr. BELCOURT: Several honourable members desire to speak. We cannot possibly take the vote to-night unless—

Some Hon. SENATORS: Go on.

Hon. Mr. BELCOURT: I am appealing to the leader and not to the back benches.

Hon. Mr. SCHAFFNER: We are appealing to you.

Hon. Mr. BELCOURT: I move the adjournment of the debate.

Hon. Mr. SHARPE: Honourable gentlemen, I wish to say that the whips have arranged to have the vote taken to-night. All our members on both sides are present. I think it is only fair that we should finish to-night and take the vote.

Hon. Mr. BELCOURT: I move the adjournment of the debate.

Hon. Mr. CASGRAIN: Let the honourable gentleman from Halifax proceed.

Hon. WM. ROCHE: Some of the honourable gentlemen opposite have their judgment affected by a false analysis. They think there is a resemblance between the Canadian Northern railway and the Grand Trunk railway. The Canadian Northern railway was built as a rival of the Canadian Pacific and the Grand Trunk Pacific. The railway borrowed money from everybody from whom they could borrow, and from every institution that had money to lend. They borrowed a large amount from one of the great banks, and the strong reason that was urged for the Government taking over the railway was that that great institution would otherwise be so crippled that it would be unable to continue business, and that the failure of that great bank would ruin the reputation of Canada. The railway was in extremis, and we acquired it. After we had acquired it and after the ebullition of joy had subsided to some extent, we looked into it and we found that the precious acquisition that we had obtained at so much sacrifice of feeling and so much sacrifice of money was deficient in objectives, deficient in coordination, deficient in feeders, and that its terminals were a joke, and it had nothing but a huge heap of debts and indebtedness. In fact, it was like the Indian's gun. It had neither lock, stock, nor barrel. The conditions of the Grand Trunk railway were different. They were satisfactory. It was always well and economically managed. The servants of the railway were active and vigilant to secure freight. The railway was popular in Ontario and in Quebec. It was of great advantage to the province of Ontario with regard to its business, and contributed largely, by the carriage of produce and passengers and by providing other facilities, to the prosperity of the great province of Ontario.

Then we had three railways in the West: we had the Grand Trunk Pacific; we had the Canadian Northern railway; and we had the Canadian Pacific railway—enough competition to satisfy the wants of all the business in the West. In the year 1918 the gross receipts of the Grand Trunk railway were $53,000,000; the working expenses were $46,000,000; a surplus of $7,000,000. Against that there were fixed charges of $11,000,000, which left a deficit of $4,000,000. Up to June, 1919, the gross receipts of the Grand Trunk railway were $63,000,000; the working expenses were $53,000,000, leaving a surplus of $10,000,000. Against that there were fixed charges of $11,000,000 to $12,000,000 leaving a deficit of $2,000,000. Thus, in

one year, the Grand Trunk railway had relatively improved its position by $2,000,000.

So I put the question to those honourable gentlemen who are so anxious to acquire the Grand Trunk railway: could the Government work the Grand Trunk railway to advantage? If it could operate the railway so as to serve the country and make money, why could not the Grand Trunk Railway Company so well managed hold its own and make money also, provided there were no war, which was the cause of the deficit and loss—the war which demoralized business, which prevented travel, and reduced the intake and income of the Grand Trunk railway?

In the other House, I believe it was asserted—and I believe it has a certain amount of currency in the press—that the Grand Trunk Railway Company refused to run the Grand Trunk Pacific because they had been informed that the railway could be built for $13,000,000; but when the accounts were made up on the completion of the railway they found that it was going to cost $200,000,000 and that that great discrepancy between the $13,000,000 and the $200,000,000 appalled them, so they threw up their hands and refused to take over the railway. Now, do you tell me that it is creditable that two astute and capable managers like Charles M. Hays and William Wainwright, as good railway men as are to be found on the continent—engaged in the operation of railways, repairing railways, building extensions to railways, acquiring branch lines, managing railways and all the expenses attendant on those various services—were so deceived that what they thought would be built for $13,000,000 cost $200,000,000? Why, it is inconceivable. What is the fact? The railway could not run because the Government, between Dandurand and Pocohontas, took up five miles of the rails. You cannot run freight or passenger cars over a space of five miles where there are no rails. That was the reason why the Grand Trunk Pacific did not run and operate—not because they were deceived about the cost, but because it was a physical impossibility, when the rails were taken away, to run cars or conduct business in a continuous line. I am told that the rails were taken over to France? Did they ever come back? Where are they?

Again, we were told that they declined to run the Transcontinental railway on account of the Government increasing the grade of the railway. Some of the opponents of the Grand Trunk railway say that the railway was so costly and the experiment of running trains over it involved so much money that the Grand Trunk shrunk from an undertaking so expensive and so onerous. That the Government was justified in increasing the grades, I do not know; but that is the reason, so far as I have heard, why the Transcontinental railway was not worked by the Grand Trunk Railway Company.

I think that to shorten the discussion, so far as I am concerned, and to come in contact with the proposition before us, I should ask what is the proposition? I think it will occur to every member of this House that in a proposition of this magnitude, the agreement on which negotiations are being conducted, and upon which a conclusion will be finally formed and a bargain struck, ought to have been submitted to the judgment of this House; because we all know that two or three words inserted in that agreement may alter the whole complexion of the proposition; and if gentlemen knew that those words were in it they would reject the proposition at once as being unsuitable and not such a proposition as the Parliament of Canada could accept.

The leader of the Government, as usual with him, made a very captivating speech, but he did not say a word about the material details or the main ingredients of the proposition. After he had expatiated on general topics, he went along to Utopia, enjoying dreams. He was followed by the Minister of Labour, and we all thought that he was going to give us an exposition of the financial situation of this question. But he gave us the particulars of railroads in the United States, and he went off at a tangent to describe the number of full cars that came out of the States, and the number of empty or half-empty cars that went down to Scowhegan, or some of those benighted regions in Maine or Vermont. So we are without the particulars in reference to the proposition which is now before us. If there be any misconception, if there be any doubt, if there be any error, it arises from the fact that the leader of the Government in this House, usually so expressive and persuasive, abstained, and I think, abstained designedly, from giving us that which would have satisfied us as to our curiosity and as to our opinion upon the subject, and left us in doubt as to what it really is.

We heard this afternoon various opinions about the amount of indebtedness, ranging from $268,000,000 up to $900,000,000 for which Canada will be liable. Now, let us see what it is. In the first place, there are $60,000,000 of guaranteed stock. I take it that $60,000,000 of guaranteed stock will be regarded

as worth par, and that we will pay interest on that at 4 per cent amounting to $2,500,000. There is preferred stock to the amount of $60,000,000 which is to be valued by arbitration. I take it that, in view of the circumstances and having regard to certain considerations of the expanding business and prospects of the company, that that stock may be valued at $50,000,000; and that at 4 per cent would make $2,000,000. Then we have from $110,000,000 to $115,000,000 of common stock; and, as a precedent has been set in the valuation of the Canadian Northern stock, I think it is likely that the valuators will put a minimum value on that of ten cents cash; so we have $11,000,000 for that. So this proposition involves about $5,000,000 annually as interest to be paid.

The gentleman says that is a mere bagatelle—that it is a cheap bargain. We sometimes condemn the fair sex for going into the shops in pursuit of bargains and getting articles that they do not really want, and think that is due to folly in the fair sex. But we should not buy anything for Canada simply because it is cheap; we should not buy it unless it is of great advantage to the people of the country, or is something actually needed by the country. Now, if the Government buy that stock they will pay $60,000,000 for the guaranteed stock, $50,000,000 for the preferred stock, and $10,000,000 or $11,000,000 for the other, in all an amount of $130,000,000.

With regard to the guaranteed stock, I ask, who guaranteed it? Remember that the stock was sold in London and is liable to English law and the provisions of the Companies Act in England, not the laws of Canada. A man obtains perhaps a thousand pounds of that stock, and the way it is managed is this. A company wishing to obtain a loan of money, or having stock to issue, will go to a broker. They will tell him the amount of stock to be sold and the rate, and will ask him to put it on the market. It may be listed on the Stock Exchange. That man goes to another broker, and says to him, " I have a good thing here —4 per cent guaranteed stock at 90, 98, or whatever it may be; I will take a quarter of it." A takes one-eighth; B takes one-eighth; C takes a quarter, and so on, until the whole is taken. Those gentlemen do not hold the stock; they go out and give it to their clients. Their clients are ladies perhaps, or gentlemen perhaps, retired colonials or others, and that may be divided amongst one hundred or more proprietors of the stock. How are you going to acquire that stock that is in the hands of those people unless you buy it out? The holder of a thousand pounds of stock will say: "Oh, you are going to give me 4 per cent interest. I do not want an annuity: I want to realize the value of my stock. I paid in eight hundred sovereigns for that stock and I want to get eight hundred sovereigns back." I think it will follow before the Government gets clear of this arrangement that they will have to buy out the whole of that stock and pay for it in cash. Well, if they pay for it in cash, that will mean an amount of $125,000,000 or so of money to be found.

Some discussion has taken place in the House as to the merits of private ownership and government ownership. It is conceded that at the beginning of an enterprise private ownership is the best, because it involves a more close oversight, and because the business is likely to be more economically managed, and for other reasons. If there is an enterprise that is too great for private capital, it is sometimes necessary that the Government should intervene, and assume the management and provide the capital. The great difficulty with private enterprise is that in times of pressure the owners' capital may not be adequate, and they may be embarrassed and perhaps go into liquidation because of the pressure of circumstances at a particular time. There would be no objection, perhaps, to government ownership unless there were some great disability or some embarrassment or obstacle to government ownership. When the minister addressed the House I was sorry to hear him say that Sir Wilfrid Laurier had set the precedent for the acquisition of this railway, because he had the railway constructed with government money and on general account. He took good care that the operation should be put in the hands of the Grand Trunk. His proposition was government ownership and private operation; but this scheme, so far as I can see, is private ownership and government operation—a total reversal of the proposition which Sir Wilfrid Laurier established.

A great obstacle existing in this case as a deterrent from government ownership is the vast amount of debt which has been entailed on the Government, which has embarrassed the Government, and under which it staggers. That is one reason why the Government should not embark on any further enterprise until it has been assured that the country can sustain the expenditure without embarrassment and without injuring the

material industries and operations of the people of the country.

Now, let us see what those obligations are. The Deputy Minister of Finance said that Canada this year would have to provide $102,000,000 of interest money, and he states that the amount of the indebtedness of the Government at this time is $2,000,000,000. When the Finance Minister was examined he increased the annual interest to $115,000,000. It was stated in the House of Commons that the amount of indebtedness was known to be $2,200,000,000.

Let us see now what we have to meet. In the first place, there is the military. We start with our $2,200,000,000 and $115,000,000 of interest, and we add to that $60,000,000 at least for the soldiers; $40,000,000 are placed in the Estimates, but I venture to say that before the soldiers are settled and satisfied it will require $20,000,000 more than that. Then, for the Grand Trunk we will require $30,000,000 for betterments and rolling stock, and the amount of interest, $5,000,000, and $60,000,000 that we may have to provide, would make $95,000,000. If we have to pay for the common stock and the other stock it would be $60,000,000 more. Then we have the deficit which will occur upon the workings of these railways, of $15,000,000 or $20,000,000 more—some gentlemen have made it much more than that, but I have placed it at the lowest possible figure. Then we will have for the navy at least $50,000,000. Lord Jellicoe in his tour of the world went to Australia and made a programme for them under which they will have to spend an equal, if not a larger amount than that; he will be here, and next year we will be called upon to provide $50,000,000 for the navy. Then, for the League of Nations we have to provide at least $10,000,000 more; we have committed ourselves to that. In the British House of Commons the other day Bonar Law said that the British Government had to give $900,000,000 to Russia, and we will have to pay our share of that. We are at war with Russia to-day. The British fleet is bombarding the capital of Russia. The war is not over. We have small and large wars, and, having once committed ourselves, we must pay the shot Bonar Law also said there were large sums due by the Dominion. What did he mean by that? We have that little bill there for the maintenance of our troops in occupation in Germany; we have the bill for the transport of the troops out here, we have the bill for the maintenance of the troops in England.

Hon. Mr. ROCHE

Hon. Mr. CASGRAIN: And all the munitions.

Hon. Mr. ROCHE: We know about that, and we have all the accounts that the British Government has against Canada. It is true that in our benevolence we lent the British Government a large sum of money to buy wheat. Will that not be set off against the sum we owe to England for the maintenance and transport of troops? That will go against our $125,000,000, or whatever we have given to the British Government to buy wheat. Then, what about the wheat? In our benevolence we are going to keep up the price of wheat, and I venture to say the Government will have to pay ten millions more, at least, for maintaining the high price of wheat. Put these little sums together and you will find $200,000,000 more will be added to our $2,200,000,000, and vast sums besides.

I am not going to speak about the amount of the indebtedness of the Grand Trunk. I am not going to enter into the correctness or incorrectness of the table of figures that has been given; but their capital stock, their investment, and their obligations amount to $268,000,000, according to the estimate of the honourable gentleman from St. Catharines, and $900,000,000, according to the estimate of the gentleman who last addressed this House. So I strike a medium between them, and I say the indebtedness would be $455,137,000.

Hon. Mr. DOMVILLE: People do not understand about your hundreds of millions; what are they?

Hon. Mr. ROCHE: Thousands of millions; we do not talk about hundreds of millions. Now, I will shorten up my little address, which I think contains thought for meditation by the honourable gentlemen opposite, although I cannot hope to influence their opinion. Let us see what we will have actually to pay. I venture to make the prediction on this day in November that, when the accounts are presented and all the sums are made up, we will find ourselves confronted with a debt of three thousand millions of money, and an interest charge of $150,000,000 to $175,000,000 annually. With that confronting us, are we prepared to go into any speculation that involves a large amount of money? That is a question for prudent and sensible business men. It is quite true that Canada may be able to stand all this. I have often heard my honourable friend from Compton (Hon. Mr. Pope) enlarging in this House in his grandiloquent style on the boundless

resources of Canada. It is a topic for publicists. Our resources are not boundless nor inexhaustible. They are respectable and large. They are adequate, if economically handled and developed. We have a large quantity of valuable agricultural land, the greatest possession that any country could have. We do not know the exact value of it. We could not put a value per acre upon it, because that would be a very deceptive calculation. We have the wealth of the forests; we have the productions of the soil; we have what is underneath the soil—the mines; we have a good climate and an energetic people; we have in the East the splendid wealth of the seas, of the forests and of the mines. We have almost everything with which a country can be endowed by nature; but those resources must be economically worked. They must be developed. There must be time for the country to recover from the load of vast expenditures upon it; and, under normal conditions, the exertions of our people will fully develop our resources and advance the splendid heritage which we have in this country.

Now, how is all this wealth of material to be transmuted into money, and to be utilized by the Government? What process have we for doing it, and what implements? In the first place, we have the Income Tax. That was a usurpation of the past, an encroachment on the rights of the provinces for direct taxation. It was a war measure to which the people submitted. But can an exaction of that kind be continued and be looked upon as a resource by a country like Canada? We know that the people are already objecting to it, and are looking to the day when there will be no more income tax, because it is a severe infliction upon persons of limited means, and it is a great exaction upon industrial enterprises, where ten, twenty, thirty, forty or fifty per cent of their profits are taken from them; but it is a severer tax upon people who may have an income from a house or two, or from a little money invested. This tax presses upon them, and, with the high cost of living, it reduces their comforts, and makes life a burden to them. The late Finance Minister was alive to the burden of the income tax. He said it could not be sustained or continued, because people were discovering that Canada is a dearer place to live in than England; and if Canada is a dearer place to live in than the United States, then a great many people who were bumped and buffeted about with taxes, and imposed upon by extortionists, may prepare to move to another country, when the restrictions which prevent people immigrating are removed. That must be so.

But the great reliance of our country in producing the necessary money is the tariff. Of course, we have lost the tax on liquors, which was a very remunerative tax, which brought a large amount of revenue into the Treasury. That has gone, comparatively. But the main instrument that brings money into the Government coffers is the ad valorem tax. The specific duties bring in a large amount of money, but the ad valorem tax is the implement which has given the country the greatest amount of revenue. The tax upon an article or an implement is perhaps thirty-five per cent. An article or implement coming from the United States into Canada before the war would bear the duty of $35 if the article were valued at $100. The same implement coming into Canada to-day would bear a tax of $70, and a war tax besides. Now, that tax cannot continue. With the reduction of prices, that source of revenue will fall off greatly. If the prices go back to the normal, the Government will lose about one-fourth of its revenue derived from that tax. That has to be considered. That tax cannot be continued. Then, a large amount of the goods imported into Canada is from the United States. The prices of articles in the United States are high, and with those taxes at the rate that I have specified, and the specific tax, a large amount of revenue has been brought to Canada. An adequate revenue of that kind would discharge our obligations. But what is the fact? Great Britain is endeavouring to increase her trade with the colonies. Emissaries from Great Britain are out here now trying to establish an interim trade period. Articles from England will probably within twelve months be 25 or 50 per cent less in price than similar articles from the United States, and they come in at fifty per cent reduction from the rates paid on American goods; so that a great amount of our revenue will be lost; and it behooves us to look around and discover where we can obtain a revenue adequate to the expenditures which we have undertaken, and to those which are proposed for us.

I say that it is the part of prudent men and statesmen to refrain from proposing or supporting any measures, speculations, or enterprises which involve a large amount of money. I say it is the prudent course to remain as we are, to endeavour to square our resources with our expenditures, to relieve the people of the country

from the embarrassment that rests upon them, and to discharge, if possible, a portion of this debt. We have borrowed two billions of money and we owe that amount now. If in these war loans there had been a provision for a sinking fund, a sinking fund of one per cent in ninety years would discharge the loan; but we have not had a surplus of revenue that we could apply to a sinking fund that would discharge that debt. That vast debt of 3,000 millions remains on us forever, and we are going into speculations involving a hundred, two hundred, or five hundred millions of money. We have all that appalling debt before us which will tax all the interests and industries and exertions of Canada to derive enough revenue to keep the country from embarrassment.

Let us look for a moment at the effect of this enterprise of the Grand Trunk acquisition. The effect, in the first place, upon the institution itself will be that the commission will have to be enlarged. It will have to be reinforced with additional members. Then, again, there will have to be officials appointed at large salaries. We heard the other day the amount of salaries that gentlemen of experience and capacity required in this country. We will have new officials, and the Government railways will require to have the number of officials increased. The Government official who has received an appointment will say: "I will do my whole duty, but it is not incumbent upon me, as it is incumbent upon the official of a private company, to exert myself and to exercise supervision or to be aggressive or anything of that kind." He discharges his duty; he has not the stimulus upon him which a private company places upon every official, that if he does not conduce to the profit of the whole concern he will have to leave the employ of the enterprise, whatever it may be. Therefore we have to increase the number of officials. We know that the labour element is very much disturbed in this country, and in other countries, and it is very probable, with their new regulations about eight hours and six hours, that the employees of the railways will also have to be increased in number, and there may be strikes. Therefore the expenses of operation of the railway will be very greatly increased because it has become government property. All these matters have to be considered, and they are of more importance, of more immediate concern and of greater extent, than I have stated, for I have merely outlined them.

It will occur to every member present that that will be the effect, and it will be accentuated in the future. The expense of operating a railway on Government account will be far greater than operating a railway on private account.

What will be the general effect upon the country? What will be the effect upon the lower provinces? I was sorry to hear the leader of the Government pronounce the Transcontinental railway a blunder. That was a very emphatic word to use in regard to a railway in which we in the eastern provinces repose our hopes, a railway to whose beneficent effect we look for the improvement of our conditions and the wealth of our people. I notice, both from the remarks of the leader of the Government and those of the minister who followed him, that the disposition is to operate the railways to the south, to use Portland and other places in the United States, in preference to the northern lines of railway. The Hudson Bay railway will be abandoned. The Transcontinental railway will not be worked in winter, and all our attention, and all our forces and energies will be spent upon the development of the southern lines, if the Grand Trunk is acquired by the Government; and that upon which we place so much hope will be a bitter disappointment to us. The ports of St. John and Halifax will be neglected, because the preference will be given to Portland and other places in the United States that have connection with the Grand Trunk. What is the fact? The magnificent port of Halifax saved the British Empire the winter before last. There were a hundred transports in the land-locked harbour of Halifax that waited there for convoys—neutral ships and British ships. Convoying ships came there and escorted them across the Atlantic, and at that crisis, when Admiral Jellicoe and the other magnates in England were proposing that they should abandon the conflict, Halifax saved them, because the food which was intended for the people of England was in safety in Halifax, and was transported across to the British Isles. The value of Halifax is now demonstrated, when they are having their longshore troubles in New York. The liners of the great lines running to the emporium of America go to Halifax.

The chimera of the acquisition of the Grand Trunk by the Canadian Pacific railway was before the House. Would it be a great calamity if the Canadian Pacific railway were to absorb the Grand Trunk railway? Could they work Port-

land and the United States any more than the Grand Trunk railway has done? Would it be a dreadful calamity? We have the competition of the Canadian Pacific; we have the competition of the Grand Trunk; we have the competition of the Transcontinental railway; all running to the port of St. John. We hope to run them to Halifax, Sydney and other ports in the East. Why, then, should we fear that the Canadian Pacific railway would absorb this railway? But the Canadian Pacific railway has no intention of absorbing the Grand Trunk. They have established their line and their depot in the port of St. John. It works there to their satisfaction; and if they were not to find enough accommodation at the port of St. John they could go on to Halifax, where there is ample accommodation for all the shipping of the Western world.

We are met at the last with a challenge. What is that challenge? "What is your alternative?" We say in reply, and we say it proudly, there is no necessity that you can prove that you should acquire the Grand Trunk railway. It has been demanded of you by the people, and we say: Do not pass the gulf; do not attempt to step over that chasm; the raging torrent is below; wait on the firm ground; wait for the development of the country; let the farmer and the workingman combine to produce from their fields and from their operations the products that we require; let the wheels of industry revolve; let the fisherman out upon the deep produce the wealth of the sea; let nature and science work for you; and if you wait until those resources are combined and brought to bear upon railway propositions, you are safe.

NEW SENATOR INTRODUCED.

Hon. Gerald Verner White, of Pembroke, Ontario, was introduced by Hon. Sir James Lougheed and Hon. Mr. Sharpe, and took his seat.

GRAND TRUNK RAILWAY ACQUISITION BILL.

THE DEBATE CONTINUED.

Hon. GEORGE LYNCH-STAUNTON: It is my intention to be brief in the remarks which I shall address to the House upon this very important issue. I confess that I approach with hesitating step to deposit my vote in the urn. But I have gained some confidence in the conviction at which I arrived hesitatingly as I have listened to the debate in this House and after having read the debate in the other.

My previous opposition to this Bill was founded to a great extent upon the fact that my experience had led me to lose faith in government ownership. I have seen a good deal of the working of government ownership in this country and have read authoritative reports upon it in other countries, and I have not known of any government ownership of a purely commercial affair, in England, France, Germany, the United States or Canada, which has succeeded. A series of articles has been written within the last eighteen months in one of the great English magazines. The author has investigated some of the most important municipal-owned and government-owned commercial businesses in England, and he has shown that they have not been commercially successful. I am informed on very good authority that nowhere in the world has any advance been made in the art by any government which owned and operated a telephone system; that all the advances have been made by privately-owned corporations.

A member of this House should, like Mr. Balfour, never read the newspapers when he is about to make up his mind on a question such as the one we have now before us; because immediately he sees disparaging remarks, injurious reflections on, and improper motives attributed to every person who opposes public ownership. You can catch more flies with sugar than with vinegar, and I cannot understand why advocates of public ownership are everlastingly attributing to those who are opposed to them improper motives, or declaiming that they are bound to the chariot of big interests. For I can assure them that there are in this world men who are really convinced that public ownership is not desirable, and that all the people who are opposed to it are not venal. And I attribute to myself some virtue. I really believe that I am not tied to any big interest's chariot.

Be that as it may, if this proposal before us involved the beginning of public ownership by Canada, I should cast my vote against it, because I believe that I should be doing my country an injustice in encouraging the Government of Canada in any way to embark upon commercial enterprises. But I regard it as a quite different subject. I regard this as a case arising after one has got into the trouble. That is Canada's position, as has been over and again stated here, and I do not wish to

fight all the battles over again and thrice to slay the slain. Canada owns two railway lines which have length without breadth. They are hardly entitled to be dignified by being termed systems. It is stated by the Government, who have the responsibility on their shoulders, that these cannot be successfully operated unless and until they acquire such a system as the Grand Trunk railway. To use the phrase of a brother senator, we must put a dog on these two tails. The Government has taken that responsibility. We are not loaded with the duty of making policies for Canada; that is the duty of the Government.

The honourable leader of this House (Hon. Sir James Lougheed) has said that a great fever of public ownership is sweeping over the world. It is sweeping over my province. I do not think that it is sweeping over the public. I think that before very long we shall hear a sound of going in the trees. The honourable leader of the Government has stated that this craze, fever, or idea, has originated with the plain people. Well, one reason why I do not like it is because it originated in Germany, and to my mind nothing good can come out of that country. Germany is the mother of public ownership. That is one of the things for which she is noted, and I hope and trust that it will not bear the evil fruit which her institutions have borne to the world at large.

The honourable leader said that the classes which in Europe are called the bourgeoisie take no interest in, or rather in the main are opposed to, public ownership; but, because they take no interest in the affairs of the country, they allow the plain people, or the people who have not so much property, to govern the country. And he speaks with absolute truth. The French revolution and the Russian revolution both were successful because in France the upper classes misbehaved and in Russia the upper classes like cowards lay down and let the proletariat walk over them. If one looks even in his own city he will find that wherever there is a by-law for money purposes laid before the people, not one-tenth of them will take the trouble to go to the polls to vote.

On all public questions inertia, indifference, ignorance, and laziness characterize what we call the business community throughout the land, and I do not think it can be too often pointed out that the classes to which we belong do not take that interest in the affairs of the country which they should take. I remember what a thoughtful judge said to me when returning on the train from the assizes. When I said that we should have a business council, he replied: "I do not agree with you for a moment; I never yet saw a business council that was any good, because men either go in to make something, or they utterly neglect their business; I think that the councils that are now elected are much better for the country." I never saw a business council that attended to its duties, and if one goes to the political meetings in the cities and towns throughout Canada, one finds that the leading business men are conspicuous by their absence. We have these questions and these policies put upon us because we do not take the trouble to make our voices heard and our feelings understood by the public at large.

It has been said that this legislation is too hasty—that this Bill has been brought down in the dying days of a special session of Parliament and that that is unfair and improper. The Bill is a very simple one. It proposes to give authority to the Government of Canada to purchase the undertaking of the Grand Trunk railway. It does not set a price which the Government asks Parliament to authorize it to pay. If it did, I would entirely agree with those who oppose it on the ground that it is hasty legislation; because, if the price were nominated in the Bill, the Government would be putting upon us the responsibility of judging whether or not that price was reasonable and ought to be paid. It would necessarily follow, if Parliament had to pass on the price, that we should be furnished with all the data and all the information which would be laid before a business man who was about to make a purchase, and which he would insist upon having before committing himself to a contract. What we are asked to do, is, not to commit the country to buy at a fixed price, but to pass an opinion upon whether or not the country should purchase at any price. Surely one can make up one's mind on that question without having the details of the value of the property before one. So I say, with great respect for those who differ from me, that in my judgment that is not a sound reason for objecting to the passing of this legislation.

It has been objected that the agreement is not before us. The agreement amounts to nothing. I have been in practice for a good many years; I have not been interested to a very great extent in arbitrations,

but I have had a respectable experience, one at least sufficient to qualify me, I think, to express an opinion upon the subject of an arbitration agreement, and I think that in one hour I could draw such an arbitration agreement as is needed in this case. What would it contain? It would be what we call a submission to arbitration. The Grand Trunk and the Government would enter into an agreement, one that it would sell and the other that it would buy an undertaking. "Undertaking" is a comprehensive word which in law is considered to mean all the assets of a company. They would agree to submit to an arbitrator, or to three arbitrators, the question of the price to be paid. That is all that it is necessary to submit to them, and the award would not take up more than two or three pages of paper. I have listened to the arguments upon that question, and I have not heard any gentleman state what provision might be put into the agreement which could in any way prejudice the country. There is not the slightest doubt that the Government has no authority whatever to go one inch beyond the authority which is given to it by this Act. It is given statutory authority, no more and no less. Those of us who know anything about statutory authority given to municipal and other bodies know that those bodies must find all their powers within the four corners of the Act of Parliament. This is not a case in which these gentlemen are given the powers of a court. This is not a case in which Parliament exercises statutory powers and also is clothed with all the authority which time and precedent have given to parliamentary bodies; but the arbitration board is the creature of the agreement, and the agreement is the creature of the statute which authorizes it to be made. If this Act of Parliament were filled with all kinds of general powers, then, I admit, it would be necessary to employ a clever, experienced draftsman to make out a submission in order to see that it did not go beyond the terms of the Act, or did not give, under the general terms of the Act, some power which Parliament had not intended to give to the arbitrators. But what does this Act do? It authorizes the arbitrators to value the whole property on any principle which they choose; and we cannot restrict that in the agreement. The Government has no authority under the terms of that Act to restrict them. I may say that that is why I have given notice of a motion to fix a maximum beyond which the arbitrators may not go. The Bill does not clothe the Government with general authority to make such an agreement or submission as it deems proper.

I have said all that I desire to say on the question of haste, on the question of the Bill, and on the question of the agreement. Now I come to what I consider to be a very serious question, and I invite the attention of honourable gentlemen to this point for a few moments. A layman—that is, a person who is not a lawyer—no matter how experienced he is in affairs, cannot realize the arguments that may be put before a board of arbitrators when that board has a general authority to value property. There are at least three principles upon which a board is bound to act—not upon which it may act, but upon which it is bound to act. The first is that arbitrators must consider the value of the property; they must consider the cost of replacement; and, if it is what we call a going concern, they must consider the earning power of the company, and they must consider the potential power of that company. Those tents are so large that thousands of arguments and reasons may find shelter under them, and the ingenuity of experts and experienced lawyers is simply wonderful; it provokes the admiration of the profession. In England there are some of the most astute and able counsel who spend their lives at that kind of litigation. In the United States there are experts who have the tongues of men and of angels when they come before a board of arbitrators. They can prove to an absolute demonstration any proposition which they undertake to prove. I have never seen a big arbitration in which some expert did not come forward with some new proposition for increasing the award. When the British Government took over the telegraphs, the evidence which was produced by the owners was amazing to the most experienced. A government never works up its case, you know. The Government puts in its case in a most perfunctory way. But the man who is to get the money neither sleeps nor slumbers till the award is given. The British Government paid a very long price for the telegraph system of England, which, by the way, has proved a financial failure in their hands. This being the case, I will never vote for a Bill which leaves such a complex question as the valuation of an enormous railway corporation to three arbitrators, three lawyers, three men who are alive to all the rules which should govern them in arbitra-

tion and who, as I say, knowing the law and knowing their duty, must consider all the multifarious arguments which may be placed before them.

In my opinion, and I think in everybody's opinion, what we should seek to do is justice to this corporation; and, unless we can leave the question before a board of arbitrators so that they will work it out to do justice not only to the buyers but to the sellers, we should never leave it to them at all. This is not a picture; it is not an ancient manuscript; it is not a blood horse which has a fancy price. It is a common commercial undertaking. The buyer goes to get something at a price at which it will pay him to purchase it; and, if he does not buy right, neither private ownership nor public ownership can make it a success. So we must place ourselves in a position to buy right. If we do not limit the power of this board, we may not buy right. It might be more correct to say "buy rightly," but I mean "buy right." In the Canadian Northern case the arbitrators fixed the price of that property upon its physical value. I have a copy of the award here, and if I read what the arbitrator said in that case it will perhaps give you a better appreciation than I can of the difficulties which surround a case of that kind. They first set out what they were asked to value, and then they went on to state:

The question to be determined by the arbitrators was one of great difficulty and one which, of necessity, admitted of great diversity of opinion. We heard much testimony, had the benefit of assistance of experienced and able counsel on both sides, and carefully investigated every matter which seemed to throw any light upon the question to be determined.

They went from the North Pole to the international boundary and from Vancouver to Halifax. They continue:

As to whether or not there was a surplus of assets over liabilities was naturally a subject which engaged much time and consideration. It is of course not a conclusive test as to the value of the stock but it is an element which cannot be ignored. Its importance was perhaps emphasized by the fact that a Royal Commission had reported the assets and liabilities of the company to be about equal. This report which was made in a proceeding to which the company and its shareholders were not parties was admittedly based on a misconception of some of the facts, and there were omissions of both assets and liabilities. It should also be pointed out that the work of the Royal Commission had reference to a date anterior to the first day of October, 1917, and there were changes in the interval.

What was the second one? It is as follows:

In arriving at the surplus of assets over liabilities the report of Professor Swain as to the reproduction cost now of the physical property based on pre-war prices, and also his estimate of the depreciation has been adopted and after a careful examination we found the surplus of assets over liabilities of the company on the first day of October, 1917, on a conservative basis to be not less than twenty-five million dollars after deducting the full amount of depreciation found by Professor Swain and making such reduction in the value of the land grants and other assets as seemed reasonable.

It is to be pointed out that a valuation of the physical property of a railway company by the reproduction new method, less depreciation, is not to be regarded as an ascertainment of the actual value. It is only a means to that end, but as it was the best, and in fact the only estimate available, it has been adopted as a basis for the foregoing calculations.

I ask any non-professional man if he can understand that award? It takes a lawyer to understand it. You see they went over everything they could imagine, and they concluded that the only way they could fix a value was to take the value of the property, less depreciation. It was the only means to that end—in fact, the only estimate available, and it was adopted as the basis of the foregoing calculations.

Now, honourable gentlemen, assume this is before the arbitrators. The first thing counsel for the railway company will do will be to prove the value of the physical assets. The value of the physical assets is the cost of those assets, purchased between the year 1850 and the present time, and that is four hundred million odd. But, at the time of the purchase, the entrance into Montreal was pretty nearly a wigwam; the entrance to Toronto was purchased when Toronto was called muddy York; the entrance into Chicago when the name Chicago was not known three counties away; the entrance into Hamilton when it was simply called "The Ambitious City." The entrance into all the cities of this country was purchased when the property could be bought at practically prairie land prices, and the property which they purchased for a small sum at that time stands in their books to-day at $400,000,000. Counsel of the arbitration would very properly say: "It is not the money we have paid for it when we bought it at acreage prices as farm lands, but it is what it is worth to-day. Look how it is assessed in Montreal. This property is worth at least three times the value it was when we bought it." Could the arbitrators ignore that argument? And if they took present values they would make the physical assets of this company worth $1,200,000,000 instead of $400,000,000, and they might make an award which would saddle us with an enormous debt for this property, far and

away beyond what it is worth as a commercial proposition. But you see that in an arbitration only concluded a few months ago the arbitrators deliberately adopted that system, or that principle, in arriving at values.

The next question which they would take up would be the potential value of this property; and if they were men of imagination they would see Canada in the next twenty years blooming as a rose. They would see us growing in prosperity, and they would say: This is going to be a great thing, and it promises to turn out so well. But it is the old story, and what, perhaps, is a beautiful gold brick would be sold to us as a coin of the realm on potentialities. Now, honourable gentlemen, believing, as I do, that we would run the most certain risk that we would be compelled to pay an enormous price for this property—for there is no doubt that it is worth more than it is held at in the books—I say that we should put the arbitrators in this position, that they must not give an award which is beyond the value of that property as a going concern, an earning commercial proposition.

How would they ascertain that? By looking at the net earnings of the company, and seeing what capital the net earnings would justify us in investing in this purchase. How are we to find the net earnings? It would not be fair at present to take the last ten years, for this reason, that during the late war the cost of operation went up one hundred per cent, while the tariff which they were allowed to charge for carriage of merchandise went up not more than fifty per cent. So that we would be taking advantage of their misfortunes in abnormal times, and they would be fools to agree to that. I have taken the operations for ten years, from 1904 to 1913 inclusive, and I have taken the net earnings for those ten years, and ascertained what are the average earnings upon a share of stock during that time. I find that we have to pay for that in four per cent bonds, and I have ascertained how much capital that would pay four per cent on per annum. I have a statement here in which it is worked out to the last cent. I am dealing only with the first preferred, second preferred, third preferred, and common stock. These are what we are arbitrating about, ordinary stocks. I have found what the total dividends on the first preferred amounted to. During those ten years they paid five per cent on the first preferred. During that time they paid on the second preferred five per cent, excepting for the year 1908, when they paid two and-a-half per cent. During that time they paid on the third preferred: During the year 1904, nothing; for 1905, two per cent; for 1906, three per cent; for 1907, three per cent; for 1908, nothing; for 1909, nothing; for 1910, one-half per cent; for 1911, one and-a-half per cent; for 1912, two and-a-half per cent; and for 1913, two and-a-half per cent. I am not going to trouble you with the guaranteed stock on which they paid four per cent during all that time. Now, the average dividend that they paid on these stocks during that time was $1,938,929.01. In the Drayton-Acworth report the average dividends are not correctly shown, because the calculation was made there as if the stock during all those years was at a standstill. As a matter of fact, it increased, and you cannot find an average dividend on a quantity of stock, unless it is the same amount of stock on which the dividend is paid over the period. But this statement has been worked out, and it amounts to £9,960,250.

Hon. Mr. BELCOURT: Whose figures are those?

Hon. Mr. LYNCH-STAUNTON: They were given to me by the actuary of the Government National Railways.

Hon. Mr. BELCOURT: Canadian Northern or Grand Trunk?

Hon. Mr. LYNCH-STAUNTON: The Government. It is made out by a Government official from the Grand Trunk books, and I have the assurance of the Government representative that it is absolutely correct. It means that if we pay them for this stock, first, second, third preferred and common, £9,960,250, they will get dividends equal to the average dividend which was paid to them on these stocks for the years 1904 to 1913. You will recognize that this plan will prevent the arbitrators from going beyond that amount, but will not prevent them from considering any element which they may desire to consider in arriving at that amount.

Hon. Mr. GORDON: You are aware that the President of the Grand Trunk, Mr. Chamberlin, and also the Vice-president, said that during these years you have mentioned no charges were made for expenditures, and that these dividends were being paid out when they should not have been paid out at all. The question I wish to ask the honourable gentleman is: are you taking into consideration the deferred expenditures which should have been made and which were not?

Hon. Mr. LYNCH-STAUNTON: I may say that I have not considered anything except the principal. That is for the arbitrators. I have assumed that the Grand Trunk statements are all correct for my purposes, and I have said that the best which the Grand Trunk can make out on an earning capacity is shown in their books. If I were settling the price to be paid, I would look carefully into the question that my honourable friend has mooted. That is for the arbitrators. I am not saying they would pay that amount, but I say: "You shall not go beyond that amount; if you find these dividends were improperly paid, if you find these earnings are not correct, you will give less."

Hon. Mr. BELCOURT: Suppose they did not take into account the $97,000,000 due by the Grand Trunk Pacific, what effect would that have on the dividends?

Hon. Mr. LYNCH-STAUNTON: They will take into account anything that is put before them.

Hon. Mr. BELCOURT: But you have not.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen do not seem to understand. Perhaps I am not making myself clear. I am not taking anything into account. I am not passing on any fact. I am not saying whether or not this is true, or whether it is not true; but I say the best case the Grand Trunk can make out is to show that they paid these dividends, and if they show they paid these dividends, and if for any other reason the arbitrators think they should get that much money, they will give it to them; but the arbitrators cannot give them more than that much money. The arbitrators are absolutely free to consider the liability to the Grand Trunk Pacific, to consider the run-down condition of the road, to consider whether or not these dividends are really and properly paid, because I do not propose that we shall state in the Bill that they shall only value it on the earnings.

Hon. Mr. DOMVILLE: Do you propose by this Bill to rip up anything—criminal court corrupt practices? Are we going into that?

Hon. Mr. LYNCH-STAUNTON: I do not know. I hope honourable gentlemen do not understand me to be proposing that this amount shall be paid to the railway company, or that the arbitrators shall accept as gospel all the statements which I have made.

Hon. Mr. BELCOURT: It is an invitation for them to do so, is it not?

Hon. Mr. LYNCH-STAUNTON: I cannot help it. I am only making this proposition. I am simply placing a maximum amount, and trying to explain to the House how I arrive at that maximum. If you agree with me that it should be placed upon earnings, upon the value of the corporation as a money-getter, I think you ought to accede to my propisition. If you think the company would get less, valuing on some other basis, then take the bridle off; but, if you do, I think the horse will run away. All I have done is to try to arrive at a maximum worked out on the principle which I think should be adopted, and which I think will do justice to the railway company, and by which we will not allow ourselves to be victimized.

I have perhaps not succeeded in my point, but I would put in this statement so that it will be accessable. It will be of interest to honourable members. I have endeavoured to explain the ground upon which I have gone.

Grand Trunk Railway Company of Canada.

Annual Dividends declared during the ten years previous to the War.

Year.	Guaranteed stock.		1st Preference stock.		2nd Preference stock.		3rd Preference stock.		Total.
	%	$ cts.	%	$ cts.	%	$ cts	%	$ cts.	$ cts.
1904	4	1,243,591 25	5	831,428 64	5	615,244 16	....	.....	2,690,264 65
1905	4	1,340,079 47	5	831,428 64	5	615,244 16	2	697,357 89	3,484,110 16
1906	4	1,520,404 60	5	831,428 64	5	615,244 16	3	1,046,036 84	4,013,114 24
1907	4	1,638,952 95	5	831,428 64	5	615,244 16	3	1,046,036 84	4,131,662 59
1908	4	1,861,121 51	5	831,428 64	2½	307,622 08	....	.....	3,000,172 23
1909	4	1,915,522 05	5	831,428 64	5	615,244 16	....	.....	3,362,194 85
1910	4	1,960,171 47	5	831,428 64	5	615,244 16	½	174,339 47	3,581,183 74
1911	4	2,080,161 12	5	831,428 64	5	615,244 16	1½	523,018 42	4,049,852 34
1912	4	2,351,148 06	5	831,428 64	5	615,244 16	2½	871,697 36	4,669,518 22
1913	4	2,417,822 39	5	831,428 64	5	615,244 16	2½	871,697 36	4,736,192 55
	40	18,328,974 87	50	8,314,286 40	47½	5,844,819 52	15	5,230,184 18	37,718,264 97
Average rate of dividend paid	4	.....	5	.....	4¾	.....	1½	.....	.....

To give the shareholders to-day the same rate of dividend upon their invested capital as they received during the ten years prior to the war, would require:—

—	Par value on which dividends are payable.	Average pre-war rate of dividend	Amount required.
	$ cts.	%	$ cts.
Guaranteed Stock	60,833,333 33	4	2,433,333 33
1st Preference Stock	16,628,572 67	5	831,428 64
2nd Preference Stock	12,304,893 04	4¾	584,481 95
3rd Preference Stock	34,867,894 47	1½	523,018 42
			$4,372,262 34
			£898,410. 1s. 5d.

$4,372,262.34 is average dividends, including guaranteed.
2,433,333 33 is average on guaranteed.

$1,938,929 01 is average on the three preference stocks, 10 years prior to the war.

£398,410. 1s. 5d., capitalized at 4%, is $48,473,225, or £9,960,250.

In conclusion, I would like to say—

Hon. Mr. BEIQUE: The honourable gentleman has adopted that basis because he assumed that it was correct—that the dividends were paid out of the revenues, not out of the capital?

Hon. Mr. LYNCH-STAUNTON: Out of the earnings.

Hon. Mr. BEIQUE: If he had known that they were paid out of capital, he would not have adopted that basis?

Hon. Mr. LYNCH-STAUNTON: I do not trouble myself to inquire whether they were or not.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. LYNCH-STAUNTON: Honourable gentleman, I am trying to put this upon a cautious, careful basis, and I do not consider that it is of any value to know, for the purpose of my calculations, whether my premise is true or not. The arbitrators will not be allowed to go beyond that, and they will be bound to go below it if it turns out that the dividends are paid out of the capital, or improperly paid.

As for me, I would much prefer that the suggestion of the honourable member from Amherst (Hon. Mr. Curry) were adopted, that this property were turned over to the Canadian Pacific railway. People are shocked at that idea; but the best-run corporation that I know of, one whose stock stands firmly in the market, and which gives a good service to the public—I never heard a word against it—is the Consumers' Gas Company in Toronto. The city of Toronto has a large interest in it. It is managed by a private corporation, and gives entire satisfaction in price and in quality to the city of Toronto. Its stock stands usually at over 200 and the dividends are limited to 10 per cent, and I never heard anybody say that the Gas Company of Toronto should be taken over and operated otherwise than it is. If the Government of Canada cannot regulate, it cannot manage. If it had a large interest in the Canadian Pacific railway, it would have stock that was worth money in the market, and, as we all admit, in a corporation that is managed better than any other corporation that we know of. If that were not done, I cannot understand why a pooling agreement should not be made between the Grand Trunk and the Government, by which they would interchange traffic over the two roads.

However, as I said before, we are not here to lay down a policy; we are here to see that, when the policy of owning the railways has been laid down years before—and, by the way, adopted and approved by this House—no hasty, ill-considered bargain shall be made, by which Canada may be prejudiced. For the reason which I have given you, I humbly submit, honourable gentlemen, that this is not hasty, but imprudent legislation, and that no thoughtful person would approve of it unless a maximum, based upon figures compiled regarding the earnings of the company over some term of years, were placed in the statute.

Hon. GEORGE W. FOWLER: Honourable gentlemen, in common with a number of my colleagues on this side of the House, I regret that on this occasion I shall have to disassociate myself from those with whom I have been in the habit of voting

on matters that have come before this Chamber. But the necessity of my doing so was not of my making. It is solely due to what I believe will be the ill consequences to Canada if this measure now before the House is adopted.

I listened with great interest and in considerable perplexity to the speech of the honourable member for Hamilton (Hon. Mr. Lynch-Staunton). The honourable member stated that he had very great doubts at one time about the character of this legislation, and that it was such as should meet with his support. I do not know by what arguments he was convinced that it was his duty to vote for this measure. Certainly those arguments were not reflected in any of the remarks which he addressed to this Chamber. He has given to me, if proof were wanting to me, the strongest proof why I should maintain my present disposition to vote against the measure. He has told us why no arbitration should be held. He has shown us the way by which we can arrive at the price. It is not necessary to employ distinguished counsel. It is not necessary to select important personages to act as arbitrators, for any accountant can prepare the figures. Have a number of accountants, if you will, so that there shall be no divergence in the figures which they prepare and present to this House. Then it is for us to pass upon the question, and see whether we will purchase the property or not. If the very course were adopted that the honourable member for Hamilton has outlined in his remarks here, there is not a member of this House but would be able to pass upon the value of this property, because every member would have the facts before him upon which to make up his mind, just as competently as could be done by arbitrators employed at $100 a day and sitting for three or four months, and we could save that much money to the country.

My honourable friend said also that this agreement was a very simple matter to draw up; he himself could do it in an hour. I know, in common with the rest of us, that the honourable gentleman is a very distinguished member of the bar. I suppose he has had a very wide experience in drawing up agreements of this nature. But I will quote the opinion of a gentleman who also occupies a high position at the bar, and is a very important member of the Government of this country. Mr. Meighen, speaking in the House of Commons not long ago, characterized this agreement as one very difficult to draw up, as one requiring the utmost care, the utmost attention, and the utmost skill on the part of the conveyancer. He said that it would be impossible for him to state whether that work could be performed in two weeks or not, although he had at his command the whole resources of the Justice Department of this country. So I leave my friend, the member for Hamilton and the Minister of the Interior to fight the battle out between them.

Now, honourable gentlemen, I do not think this country owes anything to the Grand Trunk Railway system. The Grand Trunk railway was simply a commercial proposition. The company came to this country in the early days, established themselves, and laid down certain lines of railway. They had a certain amount of assistance—not so much proportionately as it has been the habit of this country to give to railway enterprises during a number of years past; but they received certain help from the province of Ontario, and also from the Federal Administration. They were pioneers in the country. They established themselves in the very best part of Canada where there was the greatest population, the greatest business, the greatest industry. Therefore they had an opportunity, if any railway could have an opportunity, to make money and enable themselves to pay dividends. Their management has been such that they have not been able to pay dividends, as they should have paid them. Their management was really mismanagement. They attempted to manage a great enterprise like that at a distance of 4,000 miles, with directors not living in the country nor having any knowledge whatever of it. All the troubles that have come to them have come by reason of their own mismanagement.

Another thing. At a time when Canada was struggling to bind the scattered provinces together with that band of steel now known as the Canadian Pacific, this Grand Trunk Railway company did everything in its power to prevent the necessary finances from being raised. They were connected with large financial institutions in London, then the great financial centre of the world, and they did their utmost against the Canadian Pacific railway, although they must have known that failure of the Canadian Pacific railway at that time would mean a serious blow to the future prosperity of this country. And had it not been for the fortitude, the unfaltering courage, and the optimism of three great Canadian statesmen, the Grand Trunk

would have succeeded in what it was attempting to do. Macdonald, Tupper and Pope were the three men who saved the situation at that time. So I say, honourable gentlemen, that on sentimental grounds alone, so far as I am concerned, the Grand Trunk people would plead in vain for any clemency. I would give them cold justice, but nothing more.

This should be a business proposition. We are business men, or supposed to be. The Grand Trunk Railway company have fallen down on a proposition which they made to this country—for we did not ask the Grand Trunk railway to send their lines to the West. We did not ask them to establish a transcontinental system in Canada. They came to the Parliament of Canada asking for that. I happened to have the honour of a seat in the other House at that time, and I know all about the circumstances surrounding their coming here. It was true that they desired only to connect with North bay and build from that point westward. They may say that the National Transcontinental was forced upon them. Perhaps it was, but they accepted it. As business men they must have known what they were accepting. They entered into an agreement whereby the Federal Government was to take off their hands the building of the line from North Bay to Winnipeg. That was part of the consideration when they entered into the agreement to lease the property. The portion from Winnipeg to Moncton was built by the country at large. Under the agreement, the Grand Trunk people were to supervise the building of the road, to see that it did not cost more than it should have cost, and then to pay a certain rental over a number of years subsequent to completion, for the use of that road, and to operate it, for, I think, fifty years. I am not certain as to the time, but I think that is correct.

Hon. Mr. CASGRAIN: Yes, fifty years.

Hon. Mr. FOWLER: Time passed on, and the National Transcontinental was finished. The Grand Trunk were asked to implement their agreement by taking over the road, and they absolutely refused. They broke their contract: they broke a solemn contract entered into between themselves and the people of Canada. And these are the people who are now coming whining to us for special consideration! The Grand Trunk Pacific was their own child. It was their own desire that they should have the Grand Trunk Pacific, and now they throw that also upon our doorsteps, and ask us to take care of it. They broke their contract. I think all they should expect from this country is cold justice, and that is all that we should give them.

We have enough serious obligations upon our hands. We have facing us a serious problem regarding our soldiers. This war has cost us a tremendous amount of money. I do not propose to go into figures at this late hour. We have a surfeit of figures. I say the war has cost us a tremendous amount of money. It has laid a burden upon this nation from which it will take many years to recover. The other House is now, I understand, debating a motion to give additional help to our soldiers, the men who fought for us that we might have liberty to sit and debate in this room, and who, by their exertions, held that liberty for us. Yet we are declining to give additional reward to them. But we have plenty of money, any amount of money, to give to the Grand Trunk shareholders. I was in London two years ago when a meeting of the Grand Trunk shareholders was held, and I read the next day in the Times an extended account of what was uttered by those shareholders at that meeting. Reading the slanderous and scurrilous remarks that those shareholders made about the people of Canada, I said to myself: "They will need to have a mighty good case to get my support when they come looking for help."

The honourable the Minister of Labour (Hon. Mr. Robertson) made a few remarks on this question. The Minister of Labour is usually sane and level-headed. I never knew him to slip before, but he made a most unfortunate remark, it seems to me, with reference to the National railway, formerly the Canadian Northern. He said—I think I quote him correctly—that the Canadian Northern railway east of Winnipeg was a joke. Well, the Government of which he was a member induced us to pay a considerable price for that. A rather expensive joke! If it was a joke for this country, I hope there is no joker in the Bill before us.

The Minister of Labour went further. He found it necessary to cry up the Grand Trunk, and to decry the railway that we own, and for which we paid a very large amount of money. If the Minister of Labour had expressed himself in the same way two years ago, when the Canadian Northern matter was before the House, I doubt if Parliament would have consented —if they had taken his words at their face value—to make that purchase. He can

see nothing but good in the Grand Trunk—the most magnificent line that ever was created, in the opinion of the Minister of Labour. Why should he cry up the one and cry down the other? We own the national road. We are about to buy the other. Why should he cry out "stinking fish" with regard to the one, and "caller herring" with regard to the other? Is that the attitude of a wise buyer—to tell the man from whom he is going to purchase: "Say, old man, you have the finest horse"—or the finest cow—"that I ever saw in my life. What would you take for it?" Even if he wishes to give a fair price, he does not use those tactics. He need not decry the property that he is going to buy, but he certainly should not exaggerate its value. If I were acting as one of the counsel on that arbitration my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) has spoken of, I certainly should quote the speech of the honourable the Minister of Labour in support of my contention as to the great value, potential and otherwise, of this great railway that was before the court.

We also had testimony as to the value of the Grand Trunk from my honourable friend from Wentworth (Hon. Mr. Smith). He also spoke in the most eulogistic terms of it. I remember having had an experience once with the Grand Trunk that did not tend to arouse my admiration for it and its rolling stock. I left Ottawa one Sunday morning at 8 o'clock by the Grand Trunk, at least, I supposed I was going to leave. I went on board the train. We were due to leave, I think, at 8.10. I cannot be absolutely sure, but the honourable leader of the House (Hon. Sir James Lougheed) will correct me if I make any mistake with regard to this, for he was my companion on this journey. We left at 8.10; at least, we went aboard the train at eight o'clock. It was to have left at 8.10; but we stayed alongside the platform for at least an hour. Then we were moved out as far as the bridge, and lay there for three hours; then we were moved down the line three or four miles, where we remained until another engine was procured—and that lasted about twenty miles further. To make a long story short, I arrived in Montreal in time to catch the 9.45 night train on the Canadian Pacific railway for Ottawa. My honourable friend the leader of the Government in this House had not then the high opinion of the Grand Trunk that he seems to entertain now.

Hon. Mr. FOWLER.

Hon. Sir JAMES LOUGHEED: They have improved since then.

Hon. Mr. FOWLER: Now we are told that this proposition is going to be a great financial success because of the enormous production of coal from the mines owned by the Grand Trunk. My honourable friend the Minister of Labour would have to settle matters with his labour friends in the United States, or we might have difficulty in getting that coal, because, as I understand, all that coal is commandeered on account of the coal strike and the consequent shortage.

Hon. Mr. ROBERTSON: No.

Hon. Mr. FOWLER: I am glad to know it is not so. But you will have to have a different experience to what I have had in coal mines in order to make all that you claim will be made out of these mines along the line of the Grand Trunk.

I am not going to take much more of the time of the House; but I wish to give a few reasons why I am opposed to this measure. I come from the Maritime Provinces, and naturally I am interested in the winter ports of those provinces—St. John, Halifax, Sydney—and I consider that this is bad legislation from that point of view. It may be my own fault, but I cannot understand how any man having at heart the welfare of the eastern part of this country, what is known as the Maritime Provinces, can vote for this measure. If the road to Portland is to be a success and is to pay—and I understand that it has not paid in the past—it must be made to pay by increased traffic, and that increased traffic must be had at the expense of our Canadian ports. That follows as a matter of course. From Montreal, Portland has an advantage of a shorter haul by over 200 miles over St. John. In the winter the haulage from Montreal to Portland costs about half as much as the haul to St. John, and about one-third the cost to Halifax. That is a serious handicap to our eastern ports. For thirty-five years our policy has been to have lines running east and west to build up the Maritime Provinces by means of the traffic that would flow through them in our export trade. I fought the Grand Trunk Pacific on the very ground that the Grand Trunk people had a port at Portland, and I felt that the traffic which the Canadian Pacific was carrying from the West would be diverted to that port from the Maritime Provinces so far as the Grand Trunk Pacific could divert it. That, it seems to me, is a very wrong thing,

and clearly a bad thing for this Government to do.

Honourable gentlemen have said that it is better to have the road in the hands of the Government than in the hands of a private corporation. But if my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) is correct—and he has the ear of the Government, and ought to know—this is not public ownership at all. He says that the road is going to be transferred to a corporation, or commission. If they can make it pay better by utilizing the shorter haul they are going to use it, and our ports are going to suffer.

Without further discussion, I will simply state the points upon which I oppose the legislation:

1. That the proposed price is out of all proportion to the physical value of the property to be acquired.

2. That the advantages of public ownership and management of railways has not yet been proven to such an extent as to justify such an addition to our present task along that line as the acquisition of the Grand Trunk line would accomplish.

3. That our present financial obligations are so heavy a burden on this country that it is unwise and dangerous to add to them so great a load as the purchase of the Grand Trunk Railway would impose.

4. That the present Parliament has no such mandate from the electorate as to authorize it to commit the country to so huge an expenditure without an appeal to the people.

5. That the present scheme is subversive of the all-Canadian transportation principle governing our railway building for the last thirty-five years.

6. That if it were really necessary—which I deny—to purchase the Grand Trunk railway, we should have it examined as to actual and not potential value by a commission of independent railway experts and pay for it only what it is actually and physically worth.

7. That a considerable portion of the Grand Trunk railway's mileage and terminals is in the United States, and it is not desirable that Canada shall spend huge sums either to acquire or maintain railways in and for the benefit of a foreign country.

8. That as a resident of and representing a Maritime Province (if this deal goes through) I feel that our eastern winter ports will be unfairly discriminated against in favour of Portland by reason of the shorter haul.

These are the reasons that actuate me in opposing this legislation. I feel great regret in doing so, but I feel my responsibilities as a member of this House, and I feel that it is a duty that I owe to the country, and that I would not be properly discharging that duty unless I voted against the measure.

HON. WILLIAM MITCHELL: Honourable gentlemen, I feel it my duty to say a few words on this great question now before this House—the purchase by the Government of the Grand Trunk system. To begin with, I would have been much better pleased to-day if the Bill now before this House had provided for the purchase of the entire Government system by the old Grand Trunk Railway Company, instead of the Government of Canada buying the Grand Trunk.

I believe the Grand Trunk, with its well established organization of over half a century, could run the whole system to greater advantage to the people of this country, and make more money than any government, no matter what the personnel of that government may be. But the powers that be, who are supposed to represent the taxpayers of this country do not seem to be of that opinion. Therefore, it is our right and duty as trusted representatives of the people to examine what is before us.

Now, honourable gentlemen, the principal point in my mind is, how much are we committing the taxpayers of this country to pay by the present agreement? This to my mind does not seem at all clear. First, I understand there are several different kinds of stocks and securities which it is proposed to leave to arbitration, notwithstanding the fact that negotiations have been going on between the Cabinet Ministers and the Grand Trunk officials, both in England and here, for over two years, and especially by the Prime Minister, himself. The honourable leader of this House informed us of this fact yesterday; and now we are presented with a Bill which provides that three men who are not responsible to the people of this country in any way shall arbitrate and decide what price is to be paid to the Grand Trunk shareholders; or, in other words, to say to the taxpayers of this country, "You shall be taxed to pay a certain sum of money for the Grand Trunk system, notwithstanding the fact that there is one-fifth of the entire system located in the United States."

I ask honourable gentlemen of this House, and especially the leader of the Government in this House, if it is their or his

opinion that the Government of which he is a member has any mandate from the electors of this country to buy 1,600 miles of railroad running through a foreign country, and tax them for the purchase of this road, and bind them by Act of Parliament to run and maintain this road which is all located in the United States of America.

I also ask honourable gentlemen of this House and the leader of the Government in this House if it is reasonable to ask representatives of the people in Parliament to transfer the trust reposed in them by the people to men who are not in any way responsible to the people.

The honourable leader of this House, a member of the Cabinet, informed us yesterday that the people of this country must be well aware of this transaction being carried on, as the Cabinet ministers, and especially the Prime Minister, have interested themselves in this matter for the past two years.

Now, I ask honourable gentlemen of this House if there is any reasonable chance of three entirely new men taking up negotiations with the Grand Trunk people and coming to any definite arrangement in any reasonable length of time. My own opinion is that the Cabinet should continue to negotiate until they arrive at a fixed price agreed upon between themselves and the Grand Trunk railway; and then lay the concrete agreement before this honourable body so that they will be in a reasonable position to accept or reject the proposition.

In conclusion, I must say that I am entirely opposed to the transfer of the rights of Parliament. If we pass this Bill we authorize by Act of Parliament outside men to deal with the affairs of this country, which in my opinion was never the intention of our parliamentary system of government.

The amendment of Hon. W. B. Ross was negatived on the following division:

CONTENTS.

Messieurs.

Béique,	Gordon,
Beith,	King,
Belcourt,	Lavergne,
Bostock,	Legris,
Boyer,	McHugh,
Casgrain,	McLennan,
Choquette,	McSweeney,
Cloran,	Mitchell,
Dandurand,	Montplaisir,
David,	Nicholls,
Dessaulles,	Prowse,
Domville, Lt.-Col.,	Ratz,
Foster,	Roche,
Fowler,	Ross (Middleton),
Godbout,	Tessier,
Thibaudeau,	White,
Thompson,	Wilson.—35.
Watson,	

NON-CONTENTS.

Messieurs.

Barnard,	Michener,
Bennett,	Milne,
Blain,	Mulholland,
Blondin,	Murphy,
Bolduc (Speaker),	Planta,
Bradbury,	Poirier,
Crosby,	Pope,
Curry,	Pringle,
Daniel,	Robertson,
Dennis,	Schaffner,
Donnelly,	Sharpe,
Fisher,	Shatford,
Girroir,	Smith,
Harmer,	Tanner,
Laird,	Taylor,
L'Espérance,	Thorne,
Lougheed, Sir James,	Todd,
Lynch-Staunton,	Webster,
McCall,	Willoughby.—39.
McMeans,	

The motion for the second reading of the Bill was carried on the same division reversed, and the Bill was read the second time.

OBSERVANCE OF ARMISTICE DAY.

MESSAGE FROM THE KING

Hon. Sir JAMES LOUGHEED: A despatch has been placed in my hands which I will read to the House. It has been read by the leader in the Commons, and I have been requested to place it before the Senate. It is a copy of a telegram from the Secretary of State for the Colonies to His Excellency the Governor in General, and reads:

London, November 6, 1919.

Urgent.

I am commanded by His Majesty the King to send you for immediate publication the following message which is addressed to all the peoples of the Empire.

"To all my people:

"Tuesday next, November 11th, is the first anniversary of the armistice which stayed the world-wide carnage of the four preceding years, and marked the victory of right and freedom. I believe that my people in every part of the Empire fervently wish to perpetuate the memory of that great deliverance and of those who laid down their lives to achieve it.

"To afford an opportunity for the universal expression of this feeling it is my desire and hope that at the hour when the armistice came into force, the 11th hour of the eleventh day of the eleventh month, there may be for the brief space of two minutes a complete suspension of all our normal activities. During that time, except in the rare cases where this might be impracticable, all work, all sound and all locomotion should cease, so that in perfect stillness the thoughts of everyone may be concentrated on reverent remembrance of the glorious dead.

"No elaborate organization appears to be necessary. At a given signal, which can easily be

arranged to suit the circumstances of each locality, I believe that we shall all gladly interrupt our business and pleasure, whatever it may be, and unite in this simple service of silence and remembrance.

"George, R.I."

This will be published in the press here to-morrow morning. Arrangements are being made for the general observance of the two minutes silence at eleven o'clock next Tuesday. Trains will be stopped on the railways, traffic on the streets, ships as far as possible at sea, and every effort will be made to get work suspended everywhere, in schools, shops, mines, and factories, and to ensure complete silence.

His Majesty hopes that your ministers may be willing to arrange for a similar observance.

It is, of course, impracticable owing to distance that the ceremony should synchronize throughout the Empire. It is therefore suggested that eleven a.m. local time should be adopted everywhere.

Similar message being sent to India and to every Dominion and Colony in the Empire.

(Sd.) Milner.

The Senate adjourned until 11 a.m. to-morrow.

THE SENATE.

Friday, November 7, 1919.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

VISIT OF THE PRINCE OF WALES.

Hon. Sir JAMES LOUGHEED: I desire to announce to honourable gentlemen that His Royal Highness the Prince of Wales will visit the Senate this morning. He will reach the Senate about half-past twelve, and I would suggest to the Chamber that upon his entry we should adjourn during pleasure.

GRAND TRUNK RAILWAY ACQUISITION BILL.

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 33, an Act respecting the acquisition by His Majesty of the Grand Trunk Railway system. Hon. Mr. Blain in the Chair.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, before we proceed to deal with the different clauses of the Bill may I say it is proposed, as we proceed with the consideration of the Bill in committee, that certain amendments shall be moved so as to give effect to the suggestions which were made during the discussion upon the second reading. There are two fundamental changes suggested. It is proposed that a maximum shall be set upon the award to be made by the arbitrators. My honourable friend the Minister of Labour (Hon. Mr. Robertson) will present to the committee an amendment dealing with that subject. He is familiar with it, and has not only given consideration to it, but has gone into the matter at some length with all the parties interested.

A further important change may possibly be made, namely: we shall discuss the proposal that the stocks will be submitted to arbitration—the guaranteed stock as well as the preference issues; and that the guaranteed stock and the preference issues be included in the amount which will be paid per annum by the Government, so that the public will be fully assured, notwithstanding the potential value that may be urged, that the Government of Canada will not bind itself to pay to the shareholders of the Grand Trunk more than the maximum named in this amendment.

Hon. Mr. DANDURAND: Could the honourable gentleman tell us what the maximum amount is?

Hon. Sir JAMES LOUGHEED: My honourable friend the Minister of Labour will do that. The amendments, which have been distributed, are of course consequential to the essential or material amendments which will be moved.

Hon. GEORGE G. FOSTER: Honourable gentlemen: Before we proceed to the discussion of the Bill which is before this Chamber, I ask your indulgence while I call attention to a matter which, while it is to a certain extent personal to myself, also reflects upon the honour and well-being of this Chamber and the Government of this country. I have received from some unknown source during the last few days two marked copies of a newspaper printed in the city of Winnipeg and called the Manitoba Free Press. In the first column on the editorial page is a leading editorial, headed "The Senate and the Grand Trunk." There is a half or three-quarters of a column of matter which I shall not ask the Chamber to listen to. But I am going to read to you, and through you to the country, some of the language contained in that editorial. It is dated October 27, 1919, and says:

The acquisition of the Grand Trunk railway by the Canadian Government is essential to the successful future operation of the National Railway system.

Another portion of the same article says:

The financial interests which oppose the acquisition of the Grand Trunk railway are well

aware that the National Railway system cannot be operated to the best, or to good advantage lacking that essential link. Their fear is that this enforced experiment in public ownership will prove successful.

And further on the same article says:

What the Senate will do no one can foretell. It may choose to treat the Grand Trunk Bill as it recently treated the Commons' prohibition legislation. If so, it will stamp itself indelibly a mere tool of the interests; a body too reactionary to be permitted to remain, in its present form, a part of the legislative machinery of a democratic people. If the Senate respond to the invitation of the Montreal interests and reject or mutilate the Grand Trunk Bill the reform of the Senate may become the most pressing business of the Canadian people. The popular will in regard to such matters as prohibition and the security of huge national investments cannot be flouted. The Senate will override it at its peril. It has exhibited a reactionary temper too often to survive, unamended, any tampering by it with legislation demanded by the public and conceded by the House of Commons.

To bring the second chamber of the Canadian Parliament into line with modern conceptions of democratic practice would be no difficult task. The problem has already received considerable attention.

When I read that article I did not feel myself called upon to do other than treat with scorn the insinuations and suggestions contained in it; but when member after member of this body, in addressing this House, deemed it their duty to dissociate themselves from these interests, as did the honourable member for Hamilton (Hon. Mr. Lynch-Staunton), the honourable Senator from Toronto (Hon. Mr. Nicholls) and the honourable gentleman from De Salaberry (Hon. Mr. Béique), I said to myself that before we entered upon a discussion of this Bill I should place before the members of this House the position which I occupy with regard to this matter.

I have not now, and for fifteen years I have not had, one share of stock in the Canadian Pacific railway. I am not, and no member of my firm is, interested, as attorney or in any other way, in that corporation. I am not connected with any man that sits on that board, and have only two friends who sit on it, neither of whom has presumed to discuss this matter with me. So far as I am concerned, I throw back to the newspapers and to the individuals the insinuation that I have any connection with the Canadian Pacific Railway. I say it is false, not only so far as I am concerned, but, to the best of my knowledge, so far as every man who is associated with me in connection with this matter is concerned.

Hon. Mr. FOSTER.

I know this House will pardon me if I refer to personal matters, but I feel the necessity of doing it. For forty years my father and I have been associated with the Grand Trunk Railway corporation in one form or another. For thirty years my father was connected with it, and I was personally and in a friendly way connected with those men who were the leaders in that great corporation. Upon my father's death some seven or eight years ago I had the honour to receive from the Board of Directors of the Central Vermont Railroad, one of the corporations of which he was president, a notification of my election to that corporation. So, when this legislation was introduced into this House, and during the days and weeks preceding that, I had no malice against the Grand Trunk railway. I had no personal feeling of antagonism against it or against any one connected with it. On the contrary, had I considered my own feelings only, had I been guided by my own material interests, I should not have taken the position which I took last night, the position that I intend to take during the next few days. I adopted the course that I am going to refer to because I considered it my duty towards the men with whom I am associated here, and I place this matter before the House because I want to put into the mouths of those men who are lying about different honourable members of this House the fact that one at any rate, and I believe all, are not to be charged with the crime against the country with which they have been charged.

On October 24, 1919, I wrote to the Honourable E. C. Smith, President of the Central Vermont Railway, St. Albans, Vermont, the following letter:

Dear Mr. Smith:—

I am quite sure you will understand that I have no motive, other than the one herein expressed, in asking you to accept my resignation as President of the Stanstead, Shefford and Chambly Railway.

When, several years ago, your company paid me the compliment of selecting me as its President I accepted the office with much pleasure, because it maintained a connection which had existed with my family for at least forty years, in that my father had been President during that time.

I am impelled to resign for no other reason than the fact that this company is controlled and owned practically by the Grand Trunk railway and its affiliated companies, and that it was through the affiliation of the S. S. & C. with the Central Vermont, of which you are President, that I was appointed, and, as I am not able to concur in the legislation which is pending before Parliament, with regard to the sale to the Government of the different proper-

ties represented by what we will call the Grand Trunk System, I feel that my position is not fair to my associates on the board and I am, therefore, obliged to ask you to accept my resignation.

Once more assuring you of the fact that I appreciate the honour which I am relinquishing and deeply regret the circumstances which force me to send this resignation.

Believe me,

Your sincerely,

Geo. G. Foster.

To that letter on October 28th, Governor Smith replied:

Central Vermont Railway Company.
St. Albans, Vt., October 28, 1919.

Hon. George G. Foster,
Royal Trust Building,
Place d'Armes,
Montréal, Quebec.

My dear Senator:

Your letter of the 24th tendering your resignation as President of the S. S. & C. corporation is received, and I will, of course, comply with your suggestion. It is a matter of great regret to me that you do this but I can understand your position. We do not often have a meeting of the board of directors of that company, but I will see that it is placed before the board at the next meeting, or, if necessary, call a special meeting. I hope, however, to see you personally in the near future and talk the matter over with you.

Believe me,

Very sincerely yours,

E. C. Smith,
President.

I have not seen him from that day until now. On the same day I sent to Mr. Kelley, president of the Grand Trunk railway, a copy of my letter to Governor Smith, to which, on the 30th of October, I received a reply acknowledging the receipt of my letter.

I have placed that correspondence before this Chamber, because I want the people outside of this Chamber, and in the corridors of this building, who have gone around and made verbal statements, and otherwise vilified the men who have taken the position which I have taken in connection with this matter, to understand that I did not act in the interests of the trusts or the monopolies in the course that I have taken before this House and the country. I did it because I believed it to be in the best interests of my country, and, at personal sacrifice to myself greater than the emoluments I receive from the Senate. It ill becomes the press of this country and the public men, who should know better, who are going around talking in this way, vilifying the men who as a matter of principle have made sacrifices, as some of us have done who occupy seats in this Chamber.

I have, in addition, resigned my position as a Director of the Canada Car Company, not because it made any difference to me, not because I thought it would make any difference to them, but because I felt, on account of my position with the Canada Car Company, that company being the builder of cars for the Government, and for the Grand Trunk, that it was my duty to resign my position, and I did so. Yet I take up the Ottawa paper this morning and see myself (and the men who are associated with me) referred to as dupes of the trusts. I say to the Ottawa and Winnipeg papers, and to the vilifiers of these men to whom I have referred, that they are telling lies, and if the people of this country expect a standard among public men worthy of the country and worthy of the great future which I believe this country has, the public men of this country, instead of being blackguarded and abused when their views do not all coincide, are entitled to the support, or at least the good-will, of well-thinking men and well-thinking journals, and not to have the reputations they bring to this House taken away from them by men who have ulterior motives in doing it.

I do not know how long I shall remain a member of this Chamber. I shall not remain a member one hour longer than it is the will of the man who put me here. But when I came here I had the good-will of a number of men who have sat in this Chamber during the two years I have attended; and I have gained and hope to gain the friendship of many others; and I am not willing that any newspaper—or any individual, whoever he may be, or however powerful he may be—shall create a breach between me and the men in this House whose good-will I am entitled to, just as long as I do my duty by this country and to the Senate.

Were it not that I did not stand alone in this matter, were I thinking only of myself, I would not have referred to this matter; but, in view of the criticism that has been levelled at men who have been associated with me, of which association I am proud and ever shall be, I feel it my duty, not only to myself, but to the men with whom I have been associated, to make this statement to this House; and I say that, while we are going to embark now on the consideration of the most important Bill that ever appeared before us, while we may have differences on every clause that is contained in it, so far as I am concerned, the representatives of the people of this country in the Lower House having accepted the principle, and the majority in this House last night having accepted the principle of pur-

chase, I want to see the contract drawn so that every line and every provision, no matter what political party or individual it may please, shall be framed so that it will serve the best interests and secure the protection of the people so far as we can protect them. I desire to express the hope that the honourable leader of this House will exercise patience with us, and give us full opportunity to understand the question, to study it and to look at it in every phase; and my only desire is that when it is done Canada may be saved from the position which I have feared and still fear she may be placed in by virtue of this Bill, but which may be mitigated very much by amendments which will safeguard the interests of the people of Canada.

Hon. Mr. DANDURAND: Instead of going into the merits of amendments which have been laid before us, would it not be advisable for the Minister of Labour to give us the explanation that would enlighten the Senate, and afterwards to adjourn the committee stage till three o'clock, so that we may have a little time in which to digest these amendments.

Hon. Mr. ROBERTSON: Hon. gentlemen, I think that the House must have been deeply impressed with the importance of the suggestion advanced by the member for Hamilton (Hon. Mr. Lynch-Staunton) yesterday, as to the necessity of placing some maximum beyond which the arbitrators ought not and should not go. The honourable gentleman from Hamilton had very carefully compiled a statement upon a basis which in his opinion was absolutely fair, and the conclusion he reached was that the annual amount which the Government would be called upon to pay by reason of the valuation of the stock ought not to exceed an amount which he proposed to name. The amount which the honourable gentleman from Hamilton had in mind was, however, arrived at without taking into consideration the number of assets of the Grand Trunk Railway Company, which perhaps may be best termed and described as undisclosed assets, that is, revenues and surpluses which they enjoy and have, which do not appear in the records of the Grand Trunk railway itself, but in those of the subsidiary companies. Therefore, I think those ought to be taken into consideration, and in moving the amendment which I propose to offer to the House I have that in view. Perhaps it would be just as well that I should read the proposed addition to clause 6, and then explain briefly the reasons why it is proposed to make this change. I move that we add to clause 6, after the word "Canada," page 3, line 19, the following words:

> The value, if any, so determined shall in any event be limited to an amount on which the annual dividend at four per cent per annum will not exceed five million dollars. The fixing of this amount shall not be taken by the arbitrators as any addition or indication that the value to be determined is the amount so fixed, or any other amount.

Hon. Mr. DANDURAND: That would cover the arbitration of guaranteed stock as well as preferred and common?

Hon. Sir JAMES LOUGHEED: Consequential amendments will be made as we proceed to give effect to that proposal that it covers guaranteed stock, without expressing it in this amendment.

Hon. Mr. ROBERTSON: If I remember correctly, the figures the honourable gentleman from Hamilton based his calculation on yesterday would have resulted in a maximum of about $4,372,000 as against $5,000,000 which is proposed to be the maximum by this amendment. As indicated a few minutes ago, there are some assets of the Grand Trunk Railway Company which I think, merit consideration and ought to be taken into consideration by the arbitrators; and, if the shareholders of the Grand Trunk Railway Company are to accept this Bill, as it may be finally passed, it must be at least reasonably just to them. Therefore, if I may, I propose briefly to indicate to the House why I think it is reasonable to increase the maximum proposed from $4,380,000, to $5,000,000 which was the basis arrived at by the honourable member from Hamilton.

Hon. Mr. CASGRAIN: That makes $80,000,000 capitalized.

Hon. Mr. ROBERTSON: About $125,000,000. The Grand Trunk Railway Company own the stock in a number of subsidiary companies which are profitable. I shall not weary the House with a long detailed discussion of the various companies, but I will name a few. It is probably well known to all honourable gentlemen that the International Bridge Company connecting Fort Erie and Buffalo by the bridge over which the Grand Trunk, the Michigan Central, the Central Vermont, and the Wabash trains travel is an independent company, and yet the stock of the International Bridge Company is wholly owned by the Grand Trunk Railway Company, and has

for many years paid a dividend to the Grand Trunk Company of eight per cent.

Hon. Mr. DANDURAND: What is its capital?

Hon. Mr. ROBERTSON: I have not that information here. It may be contained in the blue-book. The earnings of the International Bridge Company, after paying eight per cent dividend to the Grand Trunk Railway Company, the owners of the stock have during the past twelve months shown a surplus amounting to $665,000, which is the property of the stockholders of the International Bridge Company, that is, the Grand Trunk Railway Company. These assets may therefore be termed undisclosed assets; that is, they are not shown in the records of the Grand Trunk Railway Company, because only the regular dividends earned by the International Bridge Company are really due the Grand Trunk Railway Company as owners of the stock.

I mention that to indicate the principle upon which undisclosed assets may be regarded as profits to be taken into consideration in dealing with this matter. Likewise the Grand Trunk Railway Company own the stock of the St. Clair Tunnel Company whose tunnel runs under the St. Clair river at Port Huron and Sarnia. The surplus earned over a period of twelve years amounts to $424,000 after all dividends have been paid to the Grand Trunk Railway Company, the owners of the stock. The Milwaukee Car Ferry Company, which runs the ferry boats across lake Michigan, likewise earned $539,981 during that period. These are net profits after paying dividends to the stockholders, who are the Grand Trunk Railway Company.

Hon. Mr. CASGRAIN: The Ferry Company which runs from New Haven to Milwaukee is the one that makes $500,000 a year?

Hon. Mr. ROBERTSON: No, over a period of twelve years.

Hon. Mr. CASGRAIN: It took twelve years to make that amount?

Hon. Mr. ROSS: They are twelve years' accumulated profits?

Hon. Mr. ROBERTSON: Yes. Then there are the Portland Elevator Company, the New England Elevator Company, and the Montreal Warehousing Company; they are all on the same basis. There is also the Rail and River Coal Company. Perhaps it may be proper to spend a moment over this company. The Rail and River Coal Company has in the state of Ohio a property comprising about 31,000 acres of coal lands, which contain more than 200,000,000 tons of coal; and, by the way, the very best quality of coal to be found in the bituminous fields of the United States. It is the largest holding of bituminous coal owned by any one company in the United States.

In my remarks the day before yesterday I made reference to the fact that the Grand Trunk Railway Company itself owned coal limits, and was thereby able to effect a very great saving in the operation of its road and in the cost of its fuel. The stock of the Rail and River Coal Company is owned by the Grand Trunk Railway Company, and the property is owned in fee simple; that is, the Grand Trunk Railway Company are the absolute owners, notwithstanding the fact that they invoice themselves as much as sixty-five cents a ton below market price paid by other railroads for their coal. I mentioned fifty cents a ton the other day, but I am informed that it is sixty-five cents. This company has paid in dividends to the Grand Trunk Railway Company, the owners of the stock, $150,000 a year. After paying the war tax to the United States Government, there was still a surplus of $359,105 from the earnings. Honourable gentlemen will therefore agree that the profits which will accrue from the coal, after paying the dividends to the Grand Trunk Railway Company, are undisclosed assets that in this negotiation cannot be justly overlooked. The Rail and River Coal Company had been in operation since 1912, I think, but during the first couple of years during which work was carried on it was not profitable and did not show a surplus; but since 1915 surpluses have been accruing year by year, and will doubtless continue to accrue. There are in that field over 200,000,000 tons of coal which, I think, honourable gentlemen will agree will be a real asset to the Canadian National railways, if this property is acquired. Therefore we must not and cannot ignore the reasonableness of taking into consideration that amount.

There is also the Oshawa Railway Company which has a line running from the main line of the Grand Trunk into the city of Oshawa. The earnings of this company for the year 1918, or at least the profits over and above the payment of dividends, was $81,000; and during the period from 1910 to 1918 the total is $326,000.

The Thousand Islands Railway has been profitable some years, and some years it has not; but during recent years

it has shown profits, over and above the payment of dividends, running from $6,000 to $26,000 a year. In this statement, which is a statement of the earned surplus of subsidiary companies not transferred to the income account of the Grand Trunk Railway Company, but held in reserve or used for additions and betterments and the retirement of the funded debt of such subsidiaries, the total shown is $3,856,499.

Hon. Mr. DANDURAND: Annual surpluses?

Hon. Mr. ROBERTSON: No, these are the aggregate profits which have accrued over and above the payment of dividends.

Hon. Mr. THOMPSON: Do I understand in connection with these undisclosed assets that it is the intention to increase the yearly dividend as if they were investments?

Hon. Mr. ROBERTSON: No.

Hon. Mr. THOMPSON: You have suggested making the maximum $4,380,000.

Hon. Mr. ROBERTSON: My thought is that the undisclosed assets such as these, are items that ought to be and must be taken into consideration by the arbitrators in dealing with the whole subject. Further, if we limited the maximum, as is proposed, to the sum of $4,380,000, which was about the figure the honourable member from Hamilton had in his mind, based upon the railroad assets only, we would probably be dealing unfairly with the shareholders, and perhaps put the thing in such a position that it would not be accepted, and the arbitration would fail. Therefore we propose to make the maximum amount, beyond which the arbitrators must not go, $5,000,000 in order to take care of the undisclosed assets which I have mentioned.

Hon. Mr. THOMPSON: You do not regard the reserves as permanent investments like stock in the construction of a railway?

Hon. Mr. ROBERTSON: These are matters which the board alone should determine, because we have no knowledge of the facts. But if we restrict the board from giving consideration to any of those properties which I have mentioned, I think it would be unfair to the owners of those properties.

Hon. Mr. CASGRAIN: In the surplus of the Grand Trunk Railway Company, were those assets or profits put in for the year 1918?

Hon. Mr. ROBERTSON: No, they do not appear in the Grand Trunk statement at all. These are the surpluses of the subsidiary companies after dividends had been paid to the Grand Trunk Railway Company, the owners of the stock.

Hon. Mr. CASGRAIN: That has nothing to do with the surplus they have?

Hon. Mr. ROBERTSON: No.

Hon. Mr. BEIQUE: Has the honourable gentleman got the figures for the Victoria bridge?

Hon. Mr. ROBERTSON: The Victoria bridge is not included in this list. I do not know whether it is complete; I am just referring to it to demonstrate the thought I have in mind that there should be a margin over and above the amount which the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) had in mind, to take care of the Grand Trunk subsidiary assets.

Hon. Mr. BOSTOCK: I would ask the honourable gentleman whether he has taken into consideration the question of giving a clear direction to the arbitrators to consider those items which he has mentioned, as against the $97,000,000, the liability of the Grand Trunk Railway Company on the Grand Trunk Pacific, which, of course, will have to be assumed by the Government.

Hon. Mr. ROBERTSON: I understand that the Victoria bridge is owned by the Grand Trunk Railway Company direct, and that the company is not an independent company. In answer to the question of the honourable leader (Hon. Mr. Bostock), I do not think, seeing that the House of Commons did not presume to do so, that this House should undertake to restrict or direct details of what the arbitrators should do in any way. We should leave these matters entirely to them. I do not think we are competent, in the absence of information or knowledge of details, to direct the arbitrators to do, or not to do any specific thing.

Hon. Mr. NICHOLLS: I would like to ask whether the undisclosed assets were disclosed to the House of Commons when this Bill was under review?

Hon. Mr. ROBERTSON: I cannot say definitely, but I do know that this very statement which I now hold in my hand has been in the possession of the Department of Railways, and that it is a state-

ment of fact audited by Price, Waterhouse and Company, who, I think, are a firm of auditors in whom everybody has confidence. I do not think there is any doubt whatever as to the correctness or authenticity of the facts I am presenting.

Hon. Mr. BEIQUE: I appreciate the principle on which the honourable minister is proceeding as regards these undisclosed assets, but it strikes me that the Grand Trunk Railway Company got the benefit of these assets. But, somewhat on the lines suggested by the honourable leader on this side of the House, I would suggest for the consideration of the Government and the Minister of Labour the advisability of adopting the clause which I am going to read, as an addition to the Bill. I think it is proper to guard against the company being treated unfairly; it is equally advisable to guard against the people of this country being treated unfairly; and it would be necessary to have some provision of this kind added to the Bill:

For the purpose of the valuation provided for in this Act, the arbitrators shall treat the obligations of the Grand Trunk Railway Company as guarantors of bonds or other securities or other title of indebtedness of the Grand Trunk Pacific Railway Company or of the Grand Trunk Pacific Branch Lines Company, and all other claims of the Government of the Dominion of Canada against either of the abovementioned companies, as being in full force.

I am afraid that the Bill, as drafted, and particularly clause 11, would imply that the Government assumes the entire responsibility of the obligations of the Grand Trunk Pacific Railway Company and 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 wipep 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.

Hon. Mr. LYNCH-STAUNTON: Has the honourable gentleman put that in writing?

Hon. Mr. BEIQUE: I have it here.

Hon. Mr. ROBERTSON: I do not quite connect the proposed amendment which the honourable member from De Salaberry (Hon. Mr. Béique) has in mind, as referring to clause 6, which we have been discussing.

Hon. Mr. BEIQUE: I do not know that it does refer to clause 6.

Hon. Mr. ROBERTSON: The honourable gentleman was not intending that it should modify the amendment under discussion?

Hon. Mr. BEIQUE: Oh, no, I was not. It is not connected with that amendment. I think it might be put at the very end of the Bill, after clause 11.

Hon. W. B. ROSS: Could not the honourable gentleman table his amendment, so that copies of it may be made?

Hon. Mr. BEIQUE: Yes, I will do so.

Hon. Mr. GORDON: I understand from the honourable minister (Hon. Mr. Robertson) that the income from these sources will be included. I am referring to page 45 of the general statement of the Grand Trunk.

Hon. Mr. ROBERTSON: No.

Hon. Mr. GORDON: Is it not?

Hon. Mr. ROBERTSON: None of the figures that I have quoted are contained in the Grand Trunk reports at all, because they are not Grand Trunk matters. They are profits accruing to the subsidiary companies in which the Grand Trunk Railway own stock, after they have paid dividends to the Grand Trunk in full upon the stock.

Hon. Mr. GORDON: The dividends will be included?

Hon. Mr. ROBERTSON: Oh, yes.

Hon. Mr. GORDON: But what is not included is the surplus?

Hon. Mr. ROBERTSON: The surplus, which runs to half a million dollars.

Hon. Mr. GORDON: Yes. Now, in many cases these surpluses which they show may not amount to much. What I mean is: are any of them in liquid form—in money or bonds or anything of that description?

Hon. W. B. ROSS: Or cash in the bank?

Hon. Mr. GORDON: It seems to me that, whether you brought this up or not, it would be the duty of the arbitrators to go into the affairs of the individual companies, to make sure there was such a surplus. For instance, in the case of the Grand Trunk proper, they showed a surplus last year, even though they paid no dividend.

Another question I would like to ask the minister is this. You are now giving us the undisclosed assets; in connection with

them. I presume there will be also undisclosed liabilities. Have you those?

Hon. Mr. ROBERTSON: No.

Hon. Sir JAMES LOUGHEED: I cannot appreciate, honourable gentlemen, this line of reasoning. Assuming for the moment that we had the most exact statement regarding every dollar of liability owing by the Grand Trunk to its creditors, in what way would that assist us in arriving at a conclusion as to what we should pay the Grand Trunk? We should be assuming the office of the arbitrators. Parliament is not the tribunal nor the body to determine this valuation. Why do we appoint arbitrators? The duty of the arbitrators will be to investigate carefully, with the greatest exactitude, all the liabilities and all the assets and all the values of the Grand Trunk Railway system and its affiliated companies, if you choose, and then to determine what shall be paid. Now, if my honourable friend had before him to-day an exact statement of the liabilities and assets, would he be prepared to determine what the Government of Canada should pay the Grand Trunk, and would the other members of Parliament accept my honourable friend's judgment and findings? It would be utterly impossible to arrive at a conclusion in that way. The arbitrators will doubtless spend twelve months or more in making the most careful and extended investigation of all the affairs of this company, and then they will come to a conclusion as to what should be paid. It is for this reason that the scope of the arbitrators in determining the award is enlarged. The amount mentioned by my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) was based upon the net earnings, or the dividends, or the interest, which would be more accurate, over a period of ten years. As pointed out by my honourable friend the Minister of Labour (Hon. Mr. Robertson) there are other assets than those net earnings, and it is desirable that the arbitrators should consider whether they possess any value or not. If they do not possess any value, the award is not increased; if they do possess value, it is reflected in the award; if there be liabilities, those are reflected in the award; if there are any assets, their value is reflected in the award; and so on. So it seems to me it is futile for us to discuss what the liabilities and what the assets may be, because it does not lead to anything. That is primarily the duty of the arbitrators.

Hon. Mr. FOSTER: I should like to ask the honourable leader of the House if there is in his mind, or in the mind of anybody else, any doubt that the arbitrators, in arriving at the final amount, will take into consideration any liabilities that may hereafter be shown to exist in any place or in any respect against this company. I understand from him, but I want to be quite clear on the point, that it will be the duty of the arbitrators to take into consideration any undisclosed indebtedness, no matter where it may be found.

Hon. Sir JAMES LOUGHEED: Yes. I might remind my honourable friend that, having in mind the Canadian Northern award, we made a special provision that there should be a certain reserve made for undisclosed liabilities, and it will be the duty of the arbitrators to see that the public interest is protected in every possible way in precisely the same manner as two individuals would protect their interest when entering into an arbitration respecting the purchase of property and the assumption of liabilities associated therewith.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, I think that the discussion is not keeping in a right channel, respecting the motion of the minister. May I be permitted to explain my view on this for a moment? With reference to the limit which I suggested yesterday, I considered only the funds which the Grand Trunk Railway Company declared were available for dividends. Now, if we are going to raise that limit by the same methods as I followed, we should be satisfied that these undisclosed assets are available for dividends. That is the touchstone: Are they available for dividends? Any company may write up in its books that it made a surplus, but the question is, has it written up in its books that this—

VISIT OF THE PRINCE OF WALES.

At this point, owing to the arrival of the Prince of Wales, the discussion was suspended, and the committee rose and reported progress.

The Senate adjourned during pleasure.

After the honourable Senators had been individually presented to His Royal Highness:

The Hon. the SPEAKER: His Royal Highness is pleased to address the Senate, and will say a few words.

HIS ROYAL HIGHNESS:

Gentlemen of the Senate:

Messieurs les Sénateurs:

I have had such a wonderful tour through Canada, I have seen so many interesting things, that I felt it would have been a great omission had I not paid this visit to the Dominion Parliament. So I thank you for having asked me to come, and I feel that it has been a great privilege to have met you. I look forward to hearing some of your debates on my next visit to Canada, which I hope will be soon, and I trust that you will then be more comfortably established in your new Parliament buildings. So I say, au revoir, not good-bye.

GRAND TRUNK RAILWAY ACQUISITION BILL.

FURTHER CONSIDERATION IN COMMITTEE.

The Senate having resumed:

Hon. Mr. BEIQUE: I have changed the form of the motion which I suggested to make it still more acceptable to the Government. I have adopted the negative instead of the affirmative form, making it read:

For the purpose of the valuation provided for in this Act, the obligations of the Grand Trunk, as guarantors of any indebtedness of the Grand Trunk Pacific Company, or of the Grand Trunk Pacific branch lines, and the claims of the Government of the Dominion of Canada against either of the above mentioned companies shall not be treated as extinguished or affected by anything contained in this Act.

That would save the claims against either the Grand Trunk or the Grand Trunk Pacific.

The Senate adjourned until 3 p.m. this day.

Second Sitting.

The Senate met at 3.30 p. m., the Speaker in the Chair.

Routine proceedings.

NEW SENATOR INTRODUCED.

Hon. William Proudfoot, of Goderich, Ontario, was introduced by Hon. Sir James Lougheed and Hon. Mr. Blain, and took his seat.

GRAND TRUNK RAILWAY ACQUISITION BILL.

FURTHER CONSIDERATION IN COMMITTEE.

The Senate again went into Committee on Bill 33, an Act respecting the acquisition by His Majesty of the Grand Trunk Railway System.—Hon. Sir James Lougheed. Hon. Mr. Blain in the Chair.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, when we adjourned I was endeavouring to explain that these assets which are spoken of by the honourable Minister of Labour (Hon. Mr. Robertson) should be added in if they were actually available for dividends to the Grand Trunk railway. Since the adjournment I have crystallized my idea in the form of this amendment:

The value, if any, so determined shall in any event be limited to an amount on which the annual dividend at four per cent per annum shall not exceed , being the average dividend paid by the Grand Trunk during the ten years prior to 1914.

That is the same amendment as I have given notice of, except that it is expressed in interest instead of in capital. I have added to that these words:

Should, however, it appear to the satisfaction of the arbitrators that the cash reserves of subsidiary companies of the Grand Trunk as claimed to exist were actually available for dividends and were not offset by unpaid liabilities in other subsidiary companies, the limit above mentioned may by the arbitrators be raised to $5,000,000.

That is to say, as appears from the statement that the Minister of Labour referred to, there are certain surpluses of subsidiary companies which, it is claimed, are available for dividends on Grand Trunk stocks. Now, there are several subsidiary companies of the Grand Trunk Company which have had deficits instead of surpluses, and the Grand Trunk has, over a period of years, paid to those companies about $7,000,000 in advances. If this $7,000,000 was all that was required to keep those companies solvent, those surpluses would palpably be available for dividends; but if those companies which did not pay dividends are still carrying deficits, the Grand Trunk Company will have to advance them more money to make up the deficits, and these advances would absorb the surpluses in the successful companies. This proviso of mine covers that point, and makes it clear that if the arbitrators find that the advances already made by the Grand Trunk Company were sufficient to keep the defaulting subsidiary companies solvent, then they might find that these surpluses are genuinely available. If they do not find that sufficient has been paid by the Grand Trunk Company to the failing companies, then they are not available for dividends and they would not get an advance on that account. If the amendment is put in this way, it will give the Grand Trunk Company the benefit of those surpluses appearing on

their statement as read by the minister, if they really existed, and not otherwise.

Hon. Sir JAMES LOUGHEED: Had we not better wait until we get to that clause?

Hon. Mr. NICHOLLS: With reference to what has been stated by the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), I may say that I notified the Minister of Labour that I intended to ask a question this afternoon along similar lines. I advised him of the question which I intended to ask, so that he would be prepared to answer me; but I observe that he is not in his seat at this moment, and I have no doubt the leader of the House will be able to give the information. I understood the Minister of Labour to say this morning that those undisclosed assets consisted of very considerable surpluses that had not been distributed. If those surpluses were in cash, I realize the force of his argument; but my business experience is that when a company piles up a surplus, that surplus is not kept in the bank or in bonds or securities, but is reinvested in the betterment of the property. The honourable Minister of Labour stated this morning that it was proposed to consider some valuation for those undisclosed assets, particularly as they have been paying dividends of eight per cent, I think, or at least some of them. The point I wish to make, and it is a very important one, one that would only be noticed by any one accustomed to analyse financial statements, is that if those companies earned eight per cent and piled up their reserve, that would be all right; but if the reserve from year to year, as earned, was put back into the properties and only by means of that reinvestment they were able to earn eight per cent, then I claim that those surpluses cannot be considered, because we would be paying twice over. We would be paying on a basis of eight per cent dividend, and we would also be taking into consideration the surplus that has been accumulated. I gave notice verbally to the Minister of Labour that I proposed to ask a question with reference to this, as it naturally occurred to me when he made his speech this morning. The point I want to make is that we are in danger of paying twice, at least according to my understanding of what the Minister of Labour said. If that reserve is in cash, and is available for distribution, it is quite right that the Grand Trunk Company should receive some consideration.

Hon. Mr. LYNCH-STAUNTON: This amendment is meant to cover that point.

Hon. Mr. NICHOLLS: But if it is reinvested in betterments we should not pay both on the dividend-earning capacity and upon a mere book-keeping entry of a surplus that might not be available.

Hon. Sir JAMES LOUGHEED: Had we not better proceed with the Bill?

Hon. Mr. DANDURAND: Will the honourable leader of the Government allow me to say a few words in order that the Senate may understand what the proposal is?

Hon. Sir JAMES LOUGHEED: If my honourable friend will permit me, I desire to say that since we met this morning I have taken up the various proposals made with the Government, and I have given my undivided and best attention to endeavouring to work out the difficulties which faced us and which are involved in the amendments. I find that it would be impracticable to pursue the course that I suggested this morning as evidenced in the amendment which I moved, and consequently I propose to amend the Bill along other lines. I propose dispensing with the various consequential amendments which were distributed this morning, and when we come to section 6, to amend that section as follows. I just mention it now, before we proceed with the Bill, so that when we consider the preceding sections we may know what to expect when we reach section 6. The amendment I propose is as follows:

> The value, if any, so determined shall not be greater than an amount on which the annual dividend at four per cent per annum on the aggregate face value of the present capital stock, and the new guaranteed stock taken together would exceed $5,000,000. The fixing of this limit shall not be taken by the arbitrators as any admission or indication that the value to be determined is the amount so fixed, or any other amount.

Hon. Mr. DANDURAND: That will come in at the end of clause 6?

Hon. Sir JAMES LOUGHEED: I propose to add it to section 6 after the word "Canada" on page 3, line 19. I merely mention it now so that when we come to section 6 we may be able to deal with it. May I suggest to the committee that we proceed with the sections preceding that, as they appear in the Bill from the Commons, and if it is desirable that we should reconsider them, the judgment of the House must prevail. It seems to me that that would be the most satisfactory way of proceeding with the Bill.

Hon. Mr. DANDURAND: Will the suggested amendments to the first five clauses,

what the honourable leader has called the consequential amendments, be proceeded with?

Hon. Sir JAMES LOUGHEED: I propose to move this amendment when we come to section 6. My honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) has an amendment which apparently would be in lieu of this. My honourable friend from De Salaberry (Hon. Mr. Béique) has an amendment of which he gave notice this morning, and which will be dealt with later on. These three amendments are the only amendments before us, and I think they are the only amendments we need anticipate. At all events, they are the only amendments I can foresee.

Hon. Mr. BOSTOCK: Do I understand that all the other amendments are withdrawn?

Hon. Sir JAMES LOUGHEED: They were consequential upon our adopting the amendment to section 6.

Hon. Mr. BOSTOCK: That was moved by the honourable the Minister of Labour this morning.

Hon. Sir JAMES LOUGHEED: Yes, but we propose now to withdraw those and adopt this. All that was done very hurriedly between two o'clock this morning, when we adjourned, and the time when we met.

Hon. Mr. DANDURAND: Do I understand that the modified position is that the guaranteed stock is allowed its four per cent interest, as in the Bill which came from the Commons, and that the arbitrators will simply value the preferred and common stocks, but may not, in the aggregate, go beyond $5,000,000?

Hon. Sir JAMES LOUGHEED: All stocks are included in the $5,000,000. Then, under section 4 of the Bill the Government must have authority to deal with the holders of the guaranteed stock with the view of their delivering it up, and thus abandoning the voting power which it carries, and of accepting non-voting in lieu thereof. That is an agreement which will have to be entered into between the Government and the guaranteed stockholders, but we make no discrimination in the amendment which I have moved. The whole must be included in the $5,000,000.

Hon. Mr. CASGRAIN: Do you think it would be wise to pay such a large sum, or any sum, in fact, by way of guarantee? It is an invitation to the arbitrators that you will be satisfied if they do that.

Some Hon. SENATORS: No, no.

Hon. Mr. CASGRAIN: Well, that is my opinion.

Hon. Mr. FOSTER: The objection of honourable gentlemen before was that there was no limit, and we were asked to do the very things to which they are now objecting. Now the honourable gentleman does not want a limit to be placed in the Bill.

Hon. Mr. CASGRAIN: I think the limit of $5,000,000 is too large.

Some Hon. SENATORS: Hear, hear.

Hon. Mr CASGRAIN: It is about as large as the Grand Trunk asked for.

Hon. Sir JAMES LOUGHEED: It does not fix an arbitrary amount; it is discretionary with the arbitrators. We simply allow them to valuate the property, and, supposing that they fix it at $10,000,000 we are not to pay more than—

Hon. Mr. DANDURAND: I do not want to run counter to the suggestion of my honourable friend, who says that this matter may be debated on clause 6. I am ready to make a little statement showing what the situation is to-day and what it was before this maximum was fixed. If the honourable gentlemen insists that I should wait—

Hon. Sir JAMES LOUGHEED: I do not want to put it on the ground of insisting; but the futility, I think, is apparent. Would it not be better for us to discuss some concrete question, and then the judgment of the House can be taken upon it by way of an amendment?

Hon. Mr. DANDURAND: I do not intend to discuss—

Hon. Mr. CROSBY: Had we not better have the clause read and drawn in proper order? The House does not know what clause it is discussing. Let us discuss the clauses that come before us.

Hon. Mr. DANDURAND: I only draw the attention of the honourable gentlemen to this fact—

Hon. Mr. CROSBY: Mr. Chairman, I want to know what clause we are discussing, and I want it read.

Hon. Mr. DANDURAND: We have a notice by the leader of the Government

that clause 6 is to be altered. The notice is different from that given by the Minister of Labour this morning. The whole Bill will be affected by the decision on clause 6. Before we reach that we have to pass the first five clauses. It seems to me that we should understand the situation before we start discussing the first five clauses. Inasmuch as we will have consequential amendments, the Senate should know exactly what this maximum figure of $5,000,000 means when compared with the offer of the Government to the Grand Trunk and the counter offer of the Grand Trunk to the Government.

I will only speak for two or three minutes, so that the points of comparison may be in the minds of honourable gentlemen. I want to draw attention to the fact that the Government, by this offer to the Grand Trunk, had declared iself ready to make an annual payment of $2,500,000 for the first three years, $3,000,000 for the succeeding five years, and $3,600,000 annually thereafter. Mr. Smithers, by his letter of August 8th, said that he did not believe that those figures were sufficient, and he closed his letter by saying:

> But it was also suggested that an alternative should be made of a definite sum without arbitration, and I am authorized to say the board would recommend to the shareholders the payment of an annual sum of £1,163,000—

—which, at $4.86 would be equivalent to $5,652,000. So you have an offer by the Government to pay a maximum after eight years of $3,600,000 a year, and you have a counter offer by the Grand Trunk of $5,652,000.

The honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) has suggested a maximum of $4,336,000—I will drop capital account—as against $3,600,000 in the offer of the Government, and as against $5,652,000 in the offer of the Grand Trunk. Now the Government says, "We will fix a maximum of $5,000,000." I draw attention to the fact that this maximum amount which may be granted by the arbitrators is $1,400,000 a year more than the offer of the Government; yet it is below the minimum amount which the Grand Trunk Railway Company was ready to take. Now the Government says $5,000,000. I am not very much concerned with the reasons which actuate the Government—

Hon. Sir JAMES LOUGHEED: Would my honourable friend prefer that it should be put in this way: that the arbitrators should arbitrate between the maximum offer of the Government and the minimum offer of the Grand Trunk?

Hon. Mr. DANDURAND: No. I draw the attention of my honourable friend to the fact that I am not arguing, I am simply giving figures. While you are limiting it to $5,000,000, there is a decrease in the common stock of $652,000 a year. I want to draw attention to the fact that we were guaranteeing the four per cent guaranteed stock. If the arbitration goes up to the full amount of $5,000,000, we are guaranteeing on the preferred stock a 4 per cent dividend in perpetuity.

I will not repeat the remarks which I made as to the danger of assuring a dividend which may not be earned on that preferred stock, because in spite of my argument the majority decided that the Bill should be put through. Now we must do the best we can to safeguard the interests of the country, and, pro tanto the fixing of the sum of $5,000,000 is a very great safeguard of the interests of Canada, because we put a limitation upon the flight of the imaginations of the arbitrators in assessing the potential value of that stock. Yet we must not close our eyes to the fact that the maximum will give an assured 4 per cent on that preferred stock.

As I said, I am not very much concerned in the reasons which actuated the Government in fixing that $5,000,000, nor in the discussion which arises over these balances which belong to the reserves which have been accumulated by the various subsidiary companies, because the arbitrators will have a number of other reasons by which they may decide that $5,000,000 is the correct figure for their final decision. They may decide it on the value of the terminals. They may decide it upon the prospective value if we do not state in an amendment that the prospective value is not to enter into consideration. I am not so much interested in the reasons which actuated the Government in fixing the figure at $5,000,000, because there are so many other considerations that I feel that we have practically given a direction which may be taken advantage of, and that the result may be that $5,000,000 will be the decision of the arbitrators.

Section 1 was agreed to.

On section 2—Government empowered to enter into agreements with Grand Trunk, etc.:

Hon. Mr. NICHOLLS: Before that section is carried, I feel that to be consistent I must

again refer to my objection to the provision in that clause. The section says:

> The Government may enter into an agreement with the Grand Trunk Railway Company of Canada and with such other companies and interests as the Government may think necessary.

My objection is on the ground that the Parliament of Canada will not receive a copy of that agreement, and that, whatever the award may be it will have to be paid without either the House of Commons or the Senate seeing a copy of the agreement. The unfairness is in the fact that before the Grand Trunk shareholders have to come to a decision, this agreement will be prepared, signed, sealed and delivered, and submitted to them in London, and they can accept it or reject it as they please; they can criticize it or ask for amendments to it, and the Government, by Order in Council under subsequent clause, is authorized to alter the agreement if they see fit.

I am not going to raise any factious opposition to the clause; but one of the chief objections that I have to this agreement, and one of the principal reasons I had for rising in my place and suggesting delay the other day, was because I have never yet known of a business transaction —perhaps on account of my limited experience—in which one side had not an opportunity of seeing the agreement and yet became bound by it, and the other side had the right to reject or accept. I do not propose to offer any amendment, but to be logical, and so that my objection may be better understood, I have felt in incumbent upon me to rise and give voice to it.

Hon. Mr. BOSTOCK: I think the honourable gentleman from Toronto (Hon. Mr. Nicholls) is to be congratulated for bringing this matter to the attention of the House. The question of the agreement mentioned in this clause is a most important one in the interests of the country. It is provided that these other companies and interests shall be dealt with in the agreement, but we do not know anything about them. We have not the information we ought to have, and we are asked to give the Government a sort of blanket charter, or a free hand, to deal with these matters without knowing really what they cover. The arrangement under this Bill is that this agreement, after it is drawn up, is to be submitted to the shareholders of the Grand Trunk Railway Company; but we in this House, and members of Parliament generally, are not going to see the terms and details of this agreement before we assent to it. We are to give the Government a free hand to draw up the agreement and put into it what they like. I think we are asked to go very far in this matter, and that it is not in line with what has been the policy heretofore in regard to this kind of agreement with railway companies. As I took occasion to point out previously, when the agreement was made between the representatives of the Canadian Pacific Railway Company and the Government, the whole terms of the agreement were set out in the schedule to that Act. And, again, when the agreement was made between the Government of the day and the Grand Trunk Pacific, which entailed the question of the National Transcontinental, the terms of that agreement were also set out in the Act, and Parliament and the country had the opportunity of knowing what the actual terms of the agreement were before Parliament agreed to the Bill becoming law. I think it is a most important matter for the country that they should know exactly what the terms of this agreement are, that we should not be going into this matter with our hands tied, or without having the information that I think this House is entitled to; and I would propose to move an amendment to this clause, providing that this agreement shall be submitted to Parliament for ratification before it is finally adopted. I therefore move, seconded by Hon. Mr. Dandurand, that this clause be amended to carry out that principle.

Hon. Mr. BELCOURT: It was stated in the House of Commons by the Minister who had charge of this Bill that the agreement was being prepared, and that it possibly might be prepared in time for submission to Parliament before prorogation. I think my honourable friend owes it to the House to state whether it has been prepared, and, if so, whether it will be brought down.

Hon. Sir JAMES LOUGHEED: I may say to the honourable gentleman that the agreement has not been prepared. It was entered upon, but it was recognized that the agreement could not be completed without the directorate of the Grand Trunk considering it, practically the same as the Government of Canada. Let me illustrate in this way. My honourable friend from Toronto (Hon. Mr. Nicholls) has taken exception to this clause and suggests that the agreement should be laid before Parliament. My honourable friend is president of one of the largest industrial undertak-

ings in Canada. If he were about to purchase anything for his company, he would not dream of calling a meeting of its shareholders, and submitting the agreement to them. He would call his directorate together, and determine whether the agreement should or should not be carried out. Likewise the other side would have their directorate consider the agreement. To say that an agreement containing all the particulars that must necessarily enter into a submission to arbitration must be submitted to Parliament is, it seems to me, opposed to the intelligence of business men. It is never done. Furthermore, my honourable friends can readily understand that the agreement must be within the four corners of this statute. It cannot go beyond it. If honourable gentlemen can conceive of our importing anything into the agreement that would be injurious to the interests of Canada, outside the authority of this statute, then they are justified in coming to the conclusion that we have not any authority to do so. This is simply an agreement to submit the whole matter to arbitration, and must necessarily be taken up by both parties to the agreement, and I venture to say to-day that if this agreement were before Parliament, Parliament would not look at it.

Hon. Mr. NICHOLLS: I may say in reply to the honourable leader of the Government in this House that the Cabinet or the Government, acting as the directors of the country, are negotiating with the officials of this company, but the officials have no power whatever to say that those terms shall be accepted. I am in sympathy with the amendment, but I shall not vote for it, for the reason that yesterday the principle of the Bill was accepted by a majority of this House, small though it was, and I think other amendments may be made which will safeguard the interests of the country to a very considerable extent.

Hon. Mr. BELCOURT: I want to join issue with my honourable friend, and I will tell him my experience as a lawyer. I would ask him if, in making an agreement with me to submit a very important matter to arbitration, he would be willing to leave it to me to draw the agreement, and consent that the agreement as drawn up by me would be binding on him?

Hon. Sir JAMES LOUGHEED: That is not an analogous case.

Hon. Mr. BELCOURT: Absolutely.

Hon. Sir JAMES LOUGHEED: I have said that the Government of Canada will prepare this agreement with the directorate of the Grand Trunk, and between them they will conclude the agreement. If my honourable friend were the president of a company, and were dealing with me as the president of another company, of course, between the two of us, we would enter into the agreement. We would not dream of calling our shareholders together for the purpose of discussing the details of the agreement.

Hon. Mr. BELCOURT: The directors of the company and the Government have agreed upon a certain form of agreement, but the shareholders may refuse it.

Hon. Sir JAMES LOUGHEED: Then we do not go any further. That is an end of the transaction.

Hon. Mr. BELCOURT: Certainly. But it seems to me that it is a most extraordinary thing that the Parliament of Canada should be bound by an agreement which is going to be drawn up between the Government of Canada and this company. The Government of Canada is responsible to Parliament. It is only acting as a committee of Parliament, and why should Parliament delegate in advance its powers, absolutely untrammelled, to the Government of the day to draw up an agreement of that kind? The people of Canada have the right to be asked to ratify or to refuse to ratify the agreement which the Government of Canada is going to make. I think it is not only subversive to all rules of common every-day routine business, but subversive of the rights of the people. I hope my honourable friend will insist upon his amendment, and that we shall divide the committee.

Hon. Mr. DANDURAND: As I am the seconder of the amendment, allow me to make the suggestion that the Bill, when it is through committee, may be sufficiently clear to ensure a direction to our Executive, and a satisfactory one, and may be so clear that we will not feel the need of having the submission of the agreement. I would suggest to my honourable friend that we suspend the motion till we are through discussing the Bill.

Hon. Mr. CROSBY: I feel some diffidence in rising to discuss this question after listening to the honourable member from Toronto (Hon. Mr. Nicholls). As we know, he has had a great deal of experience and is recognized throughout the Dominion as

one of its leading business men; but he has certainly gone astray in this matter. The honourable gentleman tells us this agreement is like the agreement with the Canadian Pacific railway. In what way? The Canadian Pacific Railway agreement was entered into by the Government with the company for what purpose? For the purpose of constructing a railway. We had no interest in the railway. They were going to start a new railway construction in Canada. Why are we interested in this? Because the Grand Trunk Pacific owes us $98,000,000 and the Transcontinental owes us $160,000,000. Thus far we are interested, and are going to the Grand Trunk executive or directors, and my honourable friend must know—if he does not know it is because he does not view the matter properly—that the directors would not get together and come to this Government, and say, "This is what we will do." He knows they could not commit the stockholders of that company by a vote of the directors; but the directors would come and make an arrangement with us. We are not arranging a contract to build the Transcontinental, or to build the Grand Trunk Pacific. That has been done long ago. That was the beginning of the trouble we have to-day. We are going to make an agreement, the very best agreement we can possibly make, with regard to the transportation of the Dominion of Canada, for the good of the people, and to save as much as we can out of the wreck. That is the situation we are in to-day. If we were talking about building the Transcontinental, or building the Grand Trunk Pacific, it would be a different thing altogether. We might say, "We will have them right before us." In this case, all that we can possibly have before us we have before us. In whom are we trusting? We are trusting the Government of this country, Sir Robert Borden, and every man in it. I do not mean to say you could not find a government the equal of this Government if you searched the whole world. I say we are putting our trust in the character of men, and can we not trust those men? Can we not trust men like the Premier of this country, the Finance Minister, the Minister of the Interior, and the Minister of Justice? They are trustworthy men, and I think we can intelligently pass the measure and trust them to take care of the interests of Canada. They have been taking care of the interests of Canada for a long time, and I do not think any man in this branch of Parliament, or any man in Canada, can accuse them of ever having forsaken the best interests of our country. Is there a man in Canada who can stand up and say that? Therefore I say it is only a waste of time to compare this agreement with the agreement entered into for the construction of the Canadian Pacific or the agreement for the construction of the Grand Trunk Pacific. When those other agreements were entered into the propositions were new, and the whole proposition could be placed before Parliament, because there were no vested interests at all; the whole matter was in its beginning. But this is a very different thing, as I have said, and we have our vested interests; we have money invested in the Grand Trunk Pacific and in the Transcontinental. We have gone into this, and now we are trying to do the best we can—to save as much as we can out of the wreck, with due regard to the interests of transportation and the best interests of the people of Canada.

Hon. Mr. CURRY: Honourable gentlemen, 90 per cent of the business done in this world is done by firm offer, either from the seller to the buyer or from the buyer to the seller. If a corporation or an individual or a government want to purchase or to sell anything, they make up their minds as to what they are willing to sell it for, or what they are willing to pay for it. Then they make the proposition to the other party and the other party is always at liberty to consult the directors, or, in the case of a private affair, to consult the family; and if he comes back and says, "I accept," the party making the offer is bound to carry it out. If he does not, he is discredited and dishonoured, and in the case of a business concern they are very soon out of business.

Now, this Government want the Grand Trunk railway. They have made an offer for it, and this Bill is a guide to the arbitrators as to what they shall do. If we fix a maximum of $5,000,000, which we are prepared to pay, and if the arbitrators show good cause why we should pay it, what further interest have we in the matter? What do we care what the Grand Trunk directors or shareholders may say to each other? We have absolutely no interest in that, and it cannot affect the result one particle, one way or another. To talk of bringing it back and submitting it to Parliament is absolute nonsense. The companies that I am interested with do business to the extent of many millions of dollars every year. Practically all that business is done by firm offer.

When we make an offer, whether to a corporation, a government or a railway, they have the privilege of examining it with their engineers and their directors as much as they please. When they come back to us and say, "We accept," do we ever answer: "You have accepted our offer, but we must submit it to our directors to see what they have to say about it?" If as a business man I gave such an answer I should lose my position in a week, and my company would lose its standing as a business concern; it would be discredited and dishonoured and would very soon be out of business. I say it is absolute childishness and foolishness to contend that this Government, after making an offer as to what they are willing to do and what they are willing to pay, and after that offer has been accepted, should say, "We must go back and think about it."

Hon. W. B. ROSS: I have only a few words to say. I would suggest to the honourable leader of the Opposition that his motion would come in very much better after we consider and settle upon the terms of the agreement. Of course it is a fact that under section 7 the shareholders of the Grand Trunk will see the agreement and have the right to vote yea or nay, as to whether they will accept it or not; but that Parliament and the people of Canada will be bound by such an agreement as the Government of the day may make. It may be that after we have finished with the whole Bill something along the lines of the honourable gentleman's (Hon. Mr. Bostock's) suggestion might well be inserted in the Bill, or there may be other amendments that will meet that very objection, and I think it will be well that whatever motions and amendments are made should be all taken together at the end, after we have reviewed the whole Bill. I would suggest to the honourable gentleman that he withdraw that amendment.

Hon. Mr. BOSTOCK: In that case, I would ask the permission of the House to withdraw the amendment for the time being, and to take it up later.

The amendment of Hon. Mr. Bostock was withdrawn.

The Hon. the CHAIRMAN: Shall clause 2 be adopted?

Hon. Mr. McLENNAN: It is not necessary to withdraw those last lines with reference to the guaranteed stock? From what the honourable leader of the Government said, that would seem to be included with the other stock, and here it is specifically excepted.

Hon. Sir JAMES LOUGHEED: No; because the Government does not take over the capital stock, as I understand. The holders of this guaranteed stock abstain from voting, and they receive certificates of non-voting stock in lieu thereof. We do not require that stock.

Hon. Mr. BELCOURT: Any more than you do the new.

Hon. Sir JAMES LOUGHEED: Any more than we do the debentures.

Hon. Mr. BEIQUE: I understood that the four per cent guaranteed stock, as well as the first, second, and third preference, and the common stock, was to be arbitrated.

Hon. Mr. DANDURAND: No.

Hon. Mr. BEIQUE: I thought it might very well be arbitrated. The Bill provides for the ratification by a majority of the shareholders. Clause 7 says:

> As soon as said agreement has been ratified by a majority in voting power of the holders of the stocks enumerated in the preamble to this Act.

This provides for ratification on the part of the holders of the 4 per cent guaranteed stock, the first, second, and third preference stock, and the common stock; they will be voting as a whole, as the majority will have to be the majority of all the shareholders. I think this provision should be amended so as to provide for a majority of the 4 per cent guaranteed stock and a majority of the other stock, and that all the majority of the other stocks, and that all the capital stock should be made subject to arbitration.

Hon. Sir JAMES LOUGHEED: I would point out to my honourable friend that while apparently under the proposed amendment all the stocks would be included in the maximum—and are, because it includes the guaranteed stock; yet it would be an anomaly to place the valuation upon the guaranteed stock, which has priority to all the other stocks, and consequently there must be a valuation of the other stocks separately from the guaranteed stock; for this reason. There is a trust deed by which the guaranteed stock ranks immediately after the debenture stock—by which it is really treated as a debenture indebtedness, and it is not at all likely that the holders of that stock enjoying a ranking privilege almost on a parity with the debentures, would permit the arbitrators to couple that stock with the preference

stock. They must take into consideration the existence of that stock when they are dealing with the preference issues. The Bill simply provides that, having included all those stocks, and having determined what the valuation shall be, the Government may enter into an agreement with the holders of the guaranteed stock as to the abandonment of their voting power upon that stock and the acceptance of, say 4 per cent certificates in lieu thereof. This is about the only explanation that I can make regarding that. Of course, they will vote on the stock until an agreement is entered into with the Government whereby non-voting certificates are handed over to them in lieu of their stock.

Hon. Mr. DANDURAND: Do I clearly understand the position which the Government takes? Clause 4 says:

As part of the consideration for such acquisition, the Government may agree to guarantee the payment of:—

(a) Dividends payable half yearly, at four per cent per annum, upon the present guaranteed stock;

Does that remain there?

Hon. Sir JAMES LOUGHEED: Yes:

Hon. Mr. DANDURAND: I now understand the situation. The suggestion made this morning, that the guaranteed stock should be arbitrated, goes by the board. The guaranteed stock is not to be arbitrated.

Hon. Mr. BOSTOCK: That is right.

Hon. Mr. DANDURAND: By virtue of the agreement under the Act, we shall pay 4 per cent upon the guaranteed stock. The amendment bears upon clause 6, which reads as follows:

The value, if any, of the first, second and third preference stocks and the common or ordinary stock of the Grand Trunk now issued and outstanding to the face values above mentioned (hereinafter together called the "preference and common stock") shall be determined by a board of three arbitrators.

Then Sir Walter Cassels is named. This is the amendment which is now tabled:

The value, if any, so determined shall not be greater than an amount on which the annual dividend at four per cent per annum on the aggregate face value of the present capital stock and the new guaranteed stock, taken together, would exceed $5,000,000.

I do not know if that wording will be the correct one.

Hon. W. B. ROSS: Would the honourable gentleman tell us what that means?

Hon. Mr. DANDURAND: My explanation would be that the three preference stocks and the common stock shall not be given a larger dividend than $2,500,000 by the arbitrators.

Hon. Sir JAMES LOUGHEED: My honourable friend (Hon. Mr. Lynch-Staunton) just points out that in the fourth line of the amendment the word "capital" should be stricken out and the amendment should read "the present guaranteed stock," the meaning being that the $5,000,000 shall include all stocks—the guaranteed stock as well. That is to say, the maximum amount of that award shall not exceed $5,000,000 a year, including the interest payable upon guaranteed stock.

Hon. Mr. FOSTER: All stocks?

Hon. Sir JAMES LOUGHEED: Yes, all stocks.

Hon. Mr. DANDURAND: So the variation made since this morning is simply this, that the guaranteed stock remains with its four per cent dividend, but that the preference and the common stock, being arbitrated and being valued by the arbitrators, will not be able to get a greater return than $2,500,000?

Hon. Sir JAMES LOUGHEED: Yes, that is right.

Hon. Mr. DANDURAND: So the limitation is upon the valuing of the preferred and the common, while the guaranteed stock is not affected in the least by the amendment which is proposed by the honourable leader of the Government.

Hon. Mr. BEIQUE: If the honourable leader of the Government will allow me to suggest this, I think we would progress better to take up section 6 and determine first of all the question what shall be arbitrated, and then to proceed to determine what shall be the maximum which may be awarded under the arbitration. I think it would be more logical, and we would make better progress with the Bill.

Hon. Sir JAMES LOUGHEED: I move consideration of section 6, and that it be amended to read as follows:

The value, if any, so determined shall not be greater than an amount on which the annual dividend at four per cent per annum on the aggregate face value of the present guaranteed stock and the new guaranteed stock, taken together, would exceed $5,000,000. The fixing of this limit shall not be taken by the arbitrators as any admission or indication that the value to be determined is the amount so fixed, or any other amount.

Hon. Mr. BEIQUE: I do not rise to make any objection to this amendment. I rise to suggest that we deal with the first part of section 6 and that we decide that the four per cent guaranteed stock will be made subject to arbitration as well as the three preference stocks and the common stock. Of course, I am open to consider any reasonable objection which may be offered to that being done; but, so far as I am advised at the moment, I cannot see why that stock should not be arbitrated upon.

Hon. Sir JAMES LOUGHEED: My honourable friend can move an amendment. I have moved consideration of section 6, and if my honourable friend has an amendment to move, let him move it. I do not propose to move any such amendment.

Hon. Mr. DANDURAND: Some responsibility rests on my honourable friend, and it is to give an explanation why he has altered his course this afternoon. He may have a good reason to offer, but why should not the Senate know it, and why should that guaranteed stock be not arbitrated upon?

Hon. Sir JAMES LOUGHEED: I have already explained that I took it up with the Government, and we have concluded that it is impracticable to throw this stock into the same pot as the preference shares, for the simple reason that this is a ranking stock that is practically on the same parity as the debenture stock. It ranks immediately thereafter; it has certain privileges; it is subject to a trust deed, and cannot be acquired except in this way. The holders of that stock are not going to say to the arbitrators: "We consent to your depreciating this stock fifty per cent, or whatever it may be." They say: "We are quite content to hold on to our stock." The Government must necessarily make some arrangement with the holders of that guaranteed stock by which they will abandon their holding rights. That guaranteed stock carries with it voting rights, four votes per hundred pounds, and it is therefore necessary that the Government should be empowered to deal with it. This Bill proposes to give authority to the Government to agree with the holders of that guaranteed stock.

Hon. Mr. BELCOURT: Will my honourable friend indicate in a general way, or in a specific way, what the guarantees or pledges are in regard to this guaranteed stock?

Hon. Sir JAMES LOUGHEED: I understand that in the case of liquidation it ranks immediately after the debenture stock. It would rank first of all the assets, outside the debenture stock.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to the fact that the holders of that stock have received no dividends during the last few years. Those shareholders can only get a dividend if it is earned. The advantage of arbitrating upon that guaranteed stock, which every Senator must see, is that if the arbitrators decide that only $2,000,000, or $1,000,000, is the amount that should be given to the shareholders, it goes without saying that the award up to two and a half million dollars will go to the guaranteed stockholders who have a priority over the preferred stockholders. But if we maintain the situation, and declare that they will be entitled to 4 per cent, it also goes without saying that the arbitrators will have no leeway between the two and a half million dollars, which is given to the guaranteed stockholders, and the $5,000,000 which is the maximum sum. There is no question that we guarantee the guaranteed stock, and guarantee a payment of $2,500,000, and the only play which the arbitrators will have will be between the $2,500,000 and the $5,000,000, while this morning they had full play over the whole $5,000,000.

Hon. Mr. BEIQUE: I am sorry that the honourable leader of the Government takes my suggestion in such bad part. My suggestion was not by way of objection to his amendment; I intended it merely as a suggestion. I was going to explain why the four per cent guaranteed stock should be subject to arbitration. The honourable gentleman has stated that he saw difficulties in the way, but he has not pointed out what the difficulties are. I think we should be allowed to discuss this without getting excited, and without my honourable friend taking my remarks in bad part. I quite apprehend that the holders of the four per cent guaranteed stock have a preference over the preferred and common stock. I do not suggest that they be deprived of that preference; but I do suggest that if, for instance, the arbitrators were to find that the dividends that had been paid on that four per cent guaranteed stock had been paid out of capital for the last ten or twelve years, and that the value of the stock, instead of being par, is only forty cents or fifty cents on the dollar, I do not

see why we should deprive the arbitrators of the power of so saying and of finding the value so that the country will get that stock at its true value. That is the only suggestion I make, and I repeat that I cannot see any difficulty in the way of accepting it. I would suggest also that the agreement be submitted for the ratification of the majority of the holders of the four per cent guaranteed stock, because they have an interest different from the other stockholders. I suggest also that it be made subject to ratification by a majority of the other stockholders and that the amount required to satisfy the holders of the four per cent guaranteed stock be determined by the arbitrators. I would amend the section, which is to be found in this Bill, and which enables the Government by the Governor in Council to adopt such means as may be necessary to compel the delivery of the stock which will be subject to arbitration, and apply it to the four per cent guaranteed stock, as well as to the other stocks. I am open to hear any reasonable objection to the course I suggest.

Hon. Mr. LYNCH-STAUNTON: I beg to move as an amendment to the amendment:

The value, if any, so determined shall in any event be limited to an amount on which the annual dividend at four per cent per annum shall not exceed $4,372,262, being the average dividend paid by the Grand Trunk during the ten years prior to 1914.

Should, however, it appear to the satisfaction of the arbitrators that the cash reserves of subsidiary companies of the Grand Trunk as claimed to exist during the said period were actually available for dividends and were not offset by unpaid liabilities in other subsidiary companies, the limit above mentioned may by the arbitrators be raised to not to exceed $5,000,000.

Hon. Mr. BELCOURT: Before we take that up, may I point out that my honourable friend from De Salaberry (Hon. Mr. Beique) suggests that the guaranteed stock, as well as the other stocks, be arbitrated separately. God knows I am not very anxious that this agreement should go through. Nobody would be better pleased than I if the shareholders should not ratify it. But the House has pronounced in favour of the Bill, and we are here to see that it is the best Bill that can be made. What I suggest is this. My honourable friend says that the holders of the four per cent guaranteed stock have exclusive guarantees and pledges in favour of their stock. Assume that this Bill goes through; when the agreement is before the shareholders for ratification, and the shareholders of the first and second preferred stock find that the guaranteed stock has been accepted at a value which warrants the payment of a four per cent dividend; when, in other words, they find that one half of the limited sum, that is one half of the $5,000,000, has been applied to redeem the guaranteed stock, the first and second preference shareholders will say: "That has been done to our detriment; this guaranteed stock is not worth one half of the $5,000,000, and our stock, the first and second preferred and ordinary stock, amounts to more than the remaining $2,500,000, and we are not going to ratify this agreement because we have not been fairly treated." I am sorry that my honourable friend is not paying any attention to what I am saying. I have the vanity to think that there is something in it.

Hon Sir JAMES LOUGHEED: Go on; I am following you quite closely.

Hon. Mr. BELCOURT: Does it not endanger the ratification by the shareholders if you allow the four per cent guaranteed stock to take one half of this sum of $5,000,000 which you propose they should get, leaving the holders of the first and second preferred stock and common stock the sum of $2,500,000 which they must consider value for their shares?

Hon. Sir JAMES LOUGHEED: This transaction must necessarily be a negotiable transaction. We cannot and do not propose to take those shareholders by the throat and say: "You must do this." The four per cent guaranteed stockholders occupy an exceptional position, and they say: "We will not consent to do this, that or the other thing unless you consent to do this." We can negotiate with the others. The holders of the three issues of preference stock are willing that the matter should be arbitrated; but the 4 per cent shareholders are not willing to sacrifice their chance of getting the face value of the shares.

Hon. Mr. DANDURAND: So, if I understand the situation, there is nothing to hide, and my honourable friend does not want to hide anything. I am simply drawing the conclusion that we have to make sacrifices to the guaranteed stockholders, because otherwise they will vote against this agreement, which will not carry.

Hon. Sir JAMES LOUGHEED: May I put this question to my honourable friend? In what way does it affect the Government

of Canada if the 4 per cent shareholders get more than the preference shareholders, so long as the maximum award does not exceed that $5,000,000? True, it may result in some internecine strife between them, but that is a matter that does not concern us.

Hon. Mr. DANDURAND: We have nothing to say in the matter. If the arbitrators grant $2,500,000, it goes exclusively to the guaranteed stockholders.

Hon. Sir JAMES LOUGHEED: In the event of the other shareholders refusing to accept the remainder the Government may be able to make a better arrangement than that. There is nothing to prevent the Government from negotiating with the holders of the 4 per cent guaranteed stock.

Hon. Mr. FOSTER: There may be no remainder. There may be nothing.

Hon. Mr. DANDURAND: Suppose the arbitrators declare for $2,000,000, will my honourable friend tell me that, under those conditions, the preferred shareholders will get one cent? The guaranteed stockholders are ahead of them in priority and will gobble the $2,000,000. If it is $2,500,000 the guaranteed stockholders, as of right, will take the $2,000,000.

Hon. Sir JAMES LOUGHEED: It may be a stale mate, but we cannot help that.

Hon. Mr. BOSTOCK: I think it may help in the discussion of this matter if I give the figures in regard to the guaranteed stock. In the London Times of the 9th and 10th of October, this year, the quotation was given as follows: The four per cent guaranteed stock, 46; the five per cent preference stock, 50; the five per cent second preference stock, 37½; the four per cent third preference stock, 20. These figures work out in this way. The $60,833,332.51 of the four per cent guaranteed stock, as given in the blue-book on that day, were worth $27,983,332.95. The $16,643,999.78 of five per cent first preference stock were worth $8,321,999.89. The $12,312,666.50 of second preference stock were worth $4,617,249.93. The $34,884,534.95 of four per cent third preference stock were worth $6,976,906.99. The $16,583,124.44 of common stock were worth $10,492,481.20. The whole of those stocks, according to that quotation, were worth $58,391,970.96. The par value of the four per cent guaranteed stock is $60,833,332.51. So if all those stocks had been bought that day, at those prices, there would be a saving of $2,441,361.55, as against $60,833,332 that we are going to pay interest on at four per cent.

Hon. Sir JAMES LOUGHEED.

Honourable gentlemen will see from that that on the London market at the present time the values of those stocks are based on the interest that is paid on them. The guaranteed stock, drawing 4 per cent interest, is quoted at 46; the first preference stock, drawing 5 per cent, is quoted at 50. As far as I can see, no attention is paid to any other value, as suggested by my honourable friend. Of course, the guaranteed stockholders have their interest ahead of the holders of the first, second, and third preference stock. Therefore under the Bill we are in this position: we are going to put the holders of the guaranteed stock in possession of a stock that is assured of its interest from the Dominion of Canada; and in five years' time, if they like, the Government can buy it at par. Therefore the stock which is quoted at 46, if the Government think fit, can be bought five years from now at par. According to that, we are making a very valuable gift to the holders of the guaranteed stock, and if this arrangement is put before them in that way, no doubt they will vote for it.

When we come to the question of the voting power we find, according to the blue-book, that the debenture stock carries 1,161,952 votes; the 4 per cent guaranteed stock, 400,000 votes; a total of 1,561,952 votes. Then, if we take the first, second and third preference and the ordinary stock, we find that they carry 1,103,828 votes. So the debenture stock and the guaranteed stock together have the majority of the voting power of the company. But, if you put the guaranteed stock with the preference stock and the ordinary stock together, the voting power might be the other way, and the agreement might be thrown out.

Hon. Mr. McLENNAN: I cannot see why this is a concern of the Parliament of Canada. We undertake to pay a certain amount of money in the form of an annuity. How that is divided among the different classes of shareholders having votes, eight of which exist, is a matter entirely for the Grand Trunk Railway Company, and for the gentlemen representing that company to arrange with their directors and shareholders.

Hon. W. B. ROSS: I do not quite agree with that either. We are going to pay on the valuation, which is not to exceed a sum which we name. Now by saying that it is to carry four per cent, you are really throwing out the guaranteed stock from the consideration of the arbitrators. It was worth 45 or thereabouts before this legislation

was brought into Parliament. It strikes me that the guaranteed stockholders have pretty nearly everybody by the throat. I do not understand what the first sentence of the amendment means, and I should like some honourable gentleman to explain it. It says:

> The value, if any, so determined shall not be greater than an amount on which the annual dividend at four per cent per annum on the aggregate face value of the present guaranteed stock and the new guaranteed stock, taken together, would exceed $5,000,000.

Hon. Sir JAMES LOUGHEED: Will my honourable friend permit me to say that for the delivering up, for instance, of the preference stock, or the common stock, as the case may be, we issue guaranteed stock. There will be two issues of guaranteed stock, namely, the existing issue, the 4 per cent guaranteed stock, and such guaranteed stock as we would issue for the delivering up of the outstanding stock.

Hon. W. B. ROSS: I understand that quite well, but that is not the point I am making. The aggregate face value of the present guaranteed stock and the new guaranteed stock, taken together, would exceed $5,000,000.

Hon. Sir JAMES LOUGHEED: That is to say, that a dividend of 4 per cent on the face value of that stock, including the two issues of guaranteed stock, must not exceed $5,000,000 per annum. At 4 per cent, that would represent a face value of about $125,000,000, or, on the basis of 5 per cent, about $100,000,000.

Hon. W. B. ROSS: It would be much easier to understand if it were put the other way: "Is not greater than an amount by which the annual dividends of 4 per cent per annum on these two stocks taken together would exceed $5,000,000."

Hon. Sir JAMES LOUGHEED: No, that would be to say that they were to fix it at $5,000,000. It must not exceed $5,000,000. If you fixed it at $5,000,000 they would say that you had already fixed the award.

Hon. Mr. LYNCH-STAUNTON: The capital is not to be greater than an amount that would eat up $5,000,000 at 4 per cent.

Hon. Mr. BELCOURT: Will my honourable friend permit me to suggest something? "The value, if any, so determined, shall not be greater than an amount that the 4 per cent of the total sum," and so on. Would not that be better?

Hon. W. B. ROSS: Anything would be better.

Hon. Mr. McLENNAN: Would it not be better to leave out everything between the new and the old stock?

Hon. Sir JAMES LOUGHEED: I regret that I cannot see eye to eye with the honourable gentleman from Hamilton. It seems to me that the amendment which I have moved fully covers the amendment he has moved, and that it is very much less complicated. The difficulty would be to import into it an amendment. A complex situation would arise touching subsidiary companies such as that embodied in his amendment. We cannot foresee the many considerations which will have to be taken up by the arbitrators, and if we once proposed to import into it an amendment of this kind, a situation such as my honourable friend has described would arise. Our attention was directed to this last night by my honourable friend the Minister of Labour. The Grand Trunk desired that the maximum should be placed at $5,600,000. They insisted upon that, and they still insist, I may say. As evidence of that, they introduced into this discussion the statement which was read by my honourable friend the Minister of Labour yesterday as to the earnings, the profits, and the resources of these particular companies, and they said: "That represents the difference practically between the dividends which were paid over a long period of years on the four per cent guaranteed stock and on the preference shares, and that makes up the difference, and that is the reason we want the maximum increased to $5,600,000." Now, if we begin to go into those many considerations, and to estimate what this group of subsidiary or affiliated companies represent, and then leave out others, and tie up the arbitrators, we may find ourselves very much embarrassed, and throwing a series of complications around the whole transaction that will render it very undesirable. I prefer that it should be left in this open way. We expect the arbitrators to go into every ramification of value, of liability, and of asset, and everything else in connection with this company, and we have not, up to the present, tied the arbitrators down to any fixed condition of procedure, and it is undesirable that we should do so. I would prefer that they should have the greatest freedom in going fully over the whole of the property, and not be tied down in any hard and fast way in regard to what may be the earnings of any particular company.

Hon. Mr. POWER: I do not rise to continue the discussion, but I wish to get a little information from the minister. I am not a financial man at all, but there is one thing that I have not been able to understand. Possibly an explanation of it has been given to the House or the Committee. If so, I have unfortunately not heard it. I cannot understand why the exception is made to the four per cent guaranteed stock of the Grand Trunk, amounting to £12,500,000. I do not see why that stock is treated differently from the other stock. Perhaps it may show great ignorance on my part, but I do not see the reason. The amendments that were laid upon the table by the honourable Minister of Labour, at the last meeting of the House, put this four per cent guaranteed stock into the same category as the other stock. Now it has been amended by the honourable leader of the House, and I want to know why this £12,500,000 of guaranteed stock is treated differently from the other stock.

Hon. Sir JAMES LOUGHEED: I can only repeat what I have said. This is a different issue of stock, and it has ranking priorty, making it so much superior to the preference shares that the holders of that stock refuse to have it arbitrated.

Hon. Mr. McLENNAN: Could they not be outvoted?

Hon. Sir JAMES LOUGHEED: I do not think so.

Hon. Mr. DANDURAND: Could they not be left to earn their own dividend?

Hon. Sir JAMES LOUGHEED: It is discretionary with the Government whether they leave it as it is or enter into a treaty with them.

Hon. Mr. ROBERTSON: Just a brief reference to the amendment proposed by the honourable gentleman from Hamilton and why I think it should not prevail. The amount mentioned in his amendment is based upon the average result over about ten years of operation. It should be kept in mind, in fairness to the Grand Trunk Railway Company, that the earnings of that company ten years ago were about $45,000,000. In the year 1918 they were $92,000,000 and they are increasing from year to year. Therefore the average of the past ten years does not fairly represent the situation at the present time. I think the latitude proposed, making the maximum $5,000,000, without the restrictions suggested in the amendment of the honourable gentleman from Hamilton, is preferable, besides giving the arbitrators full leeway to exercise their own judgment.

Mr. FOWLER: I shall not vote for either the amendment or the sub-amendment. It is an invitation to my mind to the arbitrators to go to the limit. We found that to be the case in another arbitration we were concerned in. I would prefer very much to leave the matter to the arbitrators since this House has deemed it advisable to send it to arbitration. That is one of the reasons why I will not vote for either of the two. The second reason is perhaps an important one, and it is because I am paired.

Hon. Mr. GORDON: When that amendment was proposed first this afternoon I was under the impression the guaranteed stock was going to be arbitrated upon, and I feel like the honourable gentleman from New Brunswick (Hon. Mr. Fowler), that this is an invitation to the arbitrators to come up to that figure. We had an arbitration before, and a maximum amount was fixed, as is suggested here, and the result was that the arbitrators awarded the amount named. Consequently, so far as I am concerned, having been once deceived in this respect, I do not propose to vote for any of these amendments.

Hon. Mr. DANDURAND: I observe that there is a fear in the minds of some Senators concerning the placing of a maximum, because it may tend to persuade the arbitrators to award that maximum; but we must not forget that the arbitrators will have before them an offer made by the Government of $3,600,000, and, as I have stated before, the arbitrators will be justified in awarding at least that amount which has been offered by one of the parties. Now, $2,500,000 are already assured the guaranteed shareholders, and I have expressed the opinion that the arbitrators will be justified, after examining the whole of the system, in granting the difference up to $3,600,000, which the shareholders would get under the offer of the Government of February last, by granting $1,100,000 more. The honourable gentleman from Hamilton desires to guard against the free hand that the arbitrators would have in valuing that immense system and applying some amount for the prospective value of that stock, and he increased the offer of the Government of $3,600,000 to $4,300,000. I am disposed to vote for that amendment. I am not disposed to vote for the amendment of the honourable leader

of the Government, which goes up to $5,000,000; yet the reason he has given for going up to $5,000,000 is that it was contained in the explanation of the honourable Minister of Labour, who was given by the Grand Trunk Company a statement showing that there were reserves in the subsidiary companies that would perhaps justify the arbitrators in going up to $5,000,000.

Hon. Sir JAMES LOUGHEED: No; $5,600,000. We rejected the proposal or request of the Grand Trunk. The $600,000, they claimed, represented the additional earnings of the companies to which he referred. Suppose we divide the sum in two, making $2,500,000. That amount would represent only the dividends or interest which during a long period of years had been paid upon the issues of preference stock.

Hon. Mr. DANDURAND: I stated that the Government had offered $3,600,000 to be paid over in eight years to the shareholders. Now my honourable friend says that the Grand Trunk last evening suggested that the maximum should be $5,600,000. I think it is just the amount—

Hon. Sir JAMES LOUGHEED: Which they originally asked.

Hon. Mr. DANDURAND: Which they originally asked as their minimum figure from the Government, without arbitration.

Hon. Sir JAMES LOUGHEED: Yes, plus one per cent on the common stock.

Hon. Mr. DANDURAND: The amount is £1,663,000, which, I think, is equivalent to about $5,600,000. Now, the Government has said: "We will make it $5,000,000; we will give a few hundred thousand more than the member for Hamilton suggests, because of the reason given by the Grand Trunk itself, that there are assets which have not been computed, which have been earned, and which show that those companies can earn in the future." They must not be surprised if the member for Hamilton comes back to them and says: "If that is true, I will consent to increase the amount to $5,000,000, but it must be true." I do not see why the honourable leader of the Government would not accept the test which is contained in the sub-amendment of the honourable gentleman from Hamilton.

Hon. Sir JAMES LOUGHEED: Does not my honourable friend think it will be the duty of the arbitrators to determine that? The arbitrators must make an examination into that question.

Hon. Mr. DANDURAND: That would never have occurred to me as a sufficient reason for increasing the maximum from $4,500,000 to $5,000,000, because, as I stated at the outset of this debate this afternoon, the arbitrators will have a wide scope and they may reach $5,000,000 or $6,000,000, if they please, by considering the prospective value of the stock or by estimating the present value of the terminals of the Grand Trunk in towns and cities. I would not have given that as a reason for increasing the amount to $5,000,000; but it has been given by the Government, and the honourable senator from Hamilton says: "Well, if that is your reason for raising my maximum, then let us test that reason to see whether it will prove to be true." That may be a consideration for increasing the maximum to $5,000,000.

Hon. Mr. McLENNAN: I do not wish to weary the House nor to bring down upon myself the indignation of its leader—

Hon. Sir JAMES LOUGHEED: Do not put it that way.

Hon. Mr. McLENNAN: But I do feel that the matter which I brought up before, namely, that for the Parliament of Canada to interfere in the division of the money that is to be paid to the Grand Trunk is a serious mistake.

Hon. Mr. CROSBY: Let them correct it.

Hon. Mr. McLENNAN: I beg that the Government will take into consideration the question whether we ought to fix a certain amount that we will pay, and let the Grand Trunk attend to their own affairs.

Hon. Mr. DANDURAND: But the amendments before us do not settle that question.

Hon. Mr. McLENNAN: I may be wrong, but, as I have said, the amendment of the honourable leader of the Government, which I shall be glad to support, so far as the amendment goes, seemed to me to indicate that the four per cent preference, the £12,500,000, was to continue getting its whole dividend as before. That means that the people who bought it at the current market price, or at the price prevailing, say, two or three months ago, get eight or nine per cent on their investment, and that the people owning other debenture stock will get much less. That, it seems to me, is a matter for the Grand Trunk shareholders to settle among themselves. To me it does not look well for the Parliament of Canada to single out one of the eight or nine different kinds of stock of the Grand Trunk

railway and to say that it shall get what is, according to British standards, an exorbitant return, to the advantage of the people who bought it within the last year, and that the other people shall get less than half. I would earnestly ask the Government to take that into consideration.

Hon. Sir JAMES LOUGHEED: We cannot avoid it, though.

Hon Mr. ROSS: As a matter of fact, you could avoid it.

Hon. Mr. McLENNAN: You could avoid it.

Hon. Mr. ROSS: By putting the present guaranteed stock into the arbitration with the preferred and common, giving them a round sum, and letting the English company call a meeting of the shareholders and divide that among themselves.

Hon. Mr. McLENNAN: Hear, hear.

Hon. Mr. ROSS: Instead of allowing them to do that, we are joining hands with the present guaranteed stockholders and enabling them to choke off everybody else in the company while they get good value for their own stock.

Hon. Mr. DANDURAND: Honourable gentlemen, I apologize for rising for the third time; but I feel that if these amendments, that moved by the honourable leader of the Government and the sub-amendment of the honourable senator from Hamilton, are passed, we close the door to the possibility of testing the Senate regarding its desire to have the guaranteed stock valued. We should know what we are doing.

Hon. Mr. BEIQUE: After we have disposed of the present amendment and sub-amendment, I propose to move another amendment to clause 6, to bring before the arbitrators the four per cent guaranteed stock as well as the others.

Hon. Mr. DANDURAND: If my honourable friend thinks that we are not prejudging the question of submitting to the arbitrators for valuation the guaranteed stock, then I do not insist; but I supposed that, taking clause 6 as it is and adding the amendment, we were accepting, at all events by inference, the principle of guaranteeing absolutely the guaranteed stock and arbitrating only the preference and the common stock.

Hon. Mr. BELCOURT: I am inclined to vote for the sub-amendment; but before the question is put I would call my honourable friend's (Hon. Mr. Lynch-Staunton's) attention to something which is rather vague, rather ambiguous, to my understanding. He says:

> Should, however, it appear to the satisfaction of the arbitrators that the cash reserves of subsidiary companies of the Grand Trunk as claimed to exist were actually available for dividends.

What troubles me is that there is no point of time fixed. I think my honourable friend should fix a time when this state of affairs was supposed to exist. Apart from that, I am disposed to vote for the sub-amendment.

Hon. Mr. LYNCH-STAUNTON: It should read, "during the said period."

Hon. Mr. DANDURAND: What is the amendment?

The Hon. the CHAIRMAN: I will read it.

> The value, if any, so determined shall in any event be limited to an amount on which the annual dividend at four per cent per annum shall not exceed $4,372,262, being the average dividend paid by the Grand Trunk during the ten years prior to 1914.
>
> Should, however, it appear to the satisfaction of the arbitrators that the cash reserves of subsidiary companies of the Grand Trunk as claimed to exist during the said period were actually available for dividends and were not offset by unpaid liabilities in other subsidiary companies, the limit above mentioned may by the arbitrators be raised to $5,000,000.

The amendment of Hon. Mr. Lynch-Staunton was negatived.

The amendment of Hon. Sir James Lougheed was agreed to.

Hon. Mr. BEIQUE: I move that clause 6 be further amended so as to read as follows:

> The value, if any, of (1) the four per cent guaranteed stock and (2) the first, second and third preference stocks and the common or ordinary stock of the Grand Trunk now issued and outstanding to the face values above mentioned (hereinafter together called the "preference and common stock") shall be determined separately by a board of three arbitrators, one to be appointed by the Government, one by the Grand Trunk, and the third shall be Sir Walter Cassels, Judge of the Exchequer Court of Canada. Should Sir Walter Cassels die or be unable to act, the said parties shall agree upon another third arbitrator who shall be either the then Judge of the Exchequer Court of Canada or one of the judges of the Supreme Court of Canada. New guaranteed stock, to an amount not exceeding the value, if any, so determined, carrying a dividend as hereinbefore authorized, shall be distributed among the holders of the four per cent guaranteed stock to the extent or value thereof, determined as above, upon the transfer to or vesting in the Government of such guaranteed stock, and to the extent or value thereof, determined as

above, among the holders of the preference and common stock, upon the transfer to or vesting in the Government of such stock in proportions which shall be determined by the arbitrators.

You will see that the arbitrators would be called upon to value separately the four per cent guaranteed stock, and separately the first, second, and third preference and the common stock of the company. Then the value, as determined by the arbitrators, would be paid over by the Government to the holders of the four per cent guaranteed stock, and the value of the other stocks, as determined by the arbitrators, would be distributed in the proportions determined by the arbitrators. The arbitrators would not be called upon to disturb the rights of the holders of the four per cent guaranteed stock. They would continue to distribute the amounts of the other stocks as provided for in section 6. Apart from the fact to which I have called attention, this stock might be worth only forty cents or fifty cents on the dollar, as determined by the arbitrators, and it would not be fair to have the country pay one hundred cents on the dollar for a security worth only forty cents or fifty cents. I would call the attention of the Government to the fact that there is a suspicion in the public mind—I do not say that the suspicion is well founded, but there is a strong suspicion in the public mind that this Bill is opening the door to the making of $25,000,000 or more by the holders of that stock to the detriment of the Dominion of Canada. I want to close the door to that, and I think the Government should be anxious to find a means of removing suspicion of that kind. The figures which the honourable leader of the Opposition has placed before the House show clearly that the holders of those stocks will be paid much more than the value of their stocks. The market value is a good criterion of the value of stocks. The holders have likely bought that stock at the market price, but, at any rate, we give them the advantage of the greater value. In order to enable the Government to better deal with them, add, if you like, a provision that the amount to be determined by the arbitrators shall not be less than fifty cents on the dollar. They might even fix it at ten cents or fifteen cents more than the market price of the stock at the date when the Bill was introduced. I would not object to a clause of that kind, because I want to give the Government the means of dealing with the holders of that stock on a fair basis; but I do not want to subject the country to paying $20,000,000, $25,000,000 or $26,000,000 for the benefit of a few holders of those securities.

Hon. Mr. DANDURAND: We can perhaps call it six o'clock.

Hon. Sir JAMES LOUGHEED: We had better deal with this when it is fresh in our minds.

Hon. Mr. DANDURAND: I understood before we adjourned at one o'clock that the guaranteed stockholders would have their security tested by the arbitrators, and there was a certain satisfaction among honourable gentlemen, which would have permeated the whole public opinion of Canada, in putting that stock in the melting pot with the preferred stock and the common stock to see how it would work out. The stock was worth 45 or 46 a month ago, but speculators have jumped in and have been buying it, with the result that it has gone up to 70 or 75. I do not know at what point it is just now, but it will be a standing grievance of the electorate of Canada against this legislation if, through our action, speculators are able to run away with large sums of money. If the Government think that these speculators are drawing unduly on our treasury when it is at the lowest ebb, something should be done. I know that the leader of the Government would be most happy to find a way by which the value of that stock would be tested. It was with the appearance of the greatest happiness that he informed us this morning that the guaranteed stock would be arbitrated. This afternoon he sees one objection in the fact that the voting power of that guaranteed stock may be so entrenched that it will defeat this scheme when it comes before the special meeting of the shareholders of the Grand Trunk in London, if they do not gain their pound of flesh. I suggested a moment ago that we should call it six o'clock, because, if the amendment of the honourable member from De Salaberry (Hon. Mr. Béique) can satisfy my honourable friend that the objection which was in his way at three o'clock has been removed, I know he will be most happy to return to the frame of mind which he was in at one o'clock, and throw the guaranteed stock into the hands of the arbitrators in order to ascertain its value. If the arbitrators come to the conclusion that it is not worth $5,000,000, that, taking into consideration the liabilities of the Grand Trunk in regard to the Grand Trunk Pacific, it is worth only $1,000,000, their hands will

be tied, and they must give $2,500,000 because we have so fixed the price of the guaranteed stock.

The proposed amendment of Hon. Mr. Béique was negatived.

Section 6, as amended, was agreed to.

At 6 o'clock the committee took recess.

The Committee resumed at 8 o'clock.

Sections 3 and 4 were agreed to.

Section 5 was agreed to.

On section 7, sub-clause a—Committee of Management to be formed as soon as agreement is ratified to operate Grand Trunk system in harmony with Canadian National Railways:

Hon. Mr. FOSTER: Does that refer to all the stock in the latter part of a?

Hon. Sir JAMES LOUGHEED: That is for the purpose of retaining the property during arbitration, whether it is a year or a year and a half.

Sub-clause a was agreed to.

On sub-clause b—books, reports and records and railways and properties of companies in Grand Trunk System to be open to inspection and all proper aid to be rendered:

Hon. Mr. BEIQUE: If all the preference stock and the common stock have equal voting powers, what would happen?

Hon. Sir JAMES LOUGHEED: They have not equal voting powers. You will find on the last page of this blue-book, page 57, the voting power of each of the stocks.

Hon. Mr. BEIQUE: My recollection is that I found it very confusing. When the Government is providing for the majority of this stock, how is it done?

Hon. Sir JAMES LOUGHEED: We get all the voting power.

Hon. Mr. BEIQUE: Is the voting of the common stock equal, share for share, to the guaranteed stock?

Hon. Sir JAMES LOUGHEED: No, it is one in £100 for the common stock, and the guaranteed stock is four in £100. We take away the voting power of the guaranteed stock.

Hon. Mr. BEIQUE: For the purpose of ratifying we do not take the power away.

Hon. Sir JAMES LOUGHEED: As to the ordinary stock, there are 479,108 votes. It is not taken away until after ratification.

Hon. Mr. BOSTOCK: Do I understand the preference stock and the ordinary stocks, when they get into the hands of the Government, are going to be kept?

Hon. Sir JAMES LOUGHEED: Oh, they will be kept.

Hon. Mr. BOSTOCK: The Government will retain those stocks and the voting power in their own hands.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: Is the Committee of Management for the purpose of the operation of the road, or for the purpose of just carrying out this arrangement?

Hon. Sir JAMES LOUGHEED: It is a mutual arrangement between the two parties pending the arbitration and the conclusion of the purchase, for the operation and administration of the road.

Sub-clause b was agreed to.

Section 7 was agreed to.

On section 8—agreement to provide for arbitrators, oaths, evidence and award:

Hon. Mr. DANDURAND: I would like to ask the leader of the Government how it is intended that the Grand Trunk corporation shall be maintained as an entity and administered by the Board of Directors? Will the Board be appointed by the shareholders called at a general annual meeting, or will it be merged into the National Railways organization, which will work under the Board of Management appointed by the Governor in Council?

Hon. Sir JAMES LOUGHEED: The legislation of last session provides for that.

Hon. Mr. DANDURAND: So that the administration of that railway system, as well as the other railways which we own, will apparently be in the hands of a company, but of a very flimsy and transparent character, the company being the representative of the Government of Canada.

Hon. Sir JAMES LOUGHEED: The stock could be vested in that company, or authority could be given to the company, entirely irrespective of the stock, under Order in Council, though it is a matter of domestic arrangement as to how it should be done. Of course, necessarily, the company must be appointed by the Government in the first place, and then the

management of the road could be directed by Order in Council. I should think instructions would be given them by Order in Council simply to organize and operate the road.

Hon. W. B. ROSS: I had a note of the railway legislation of last session, just to see how this works out. The Canadian National Railways would be operated by a Board of not less than five nor more than fifteen, appointed by the Governor in Council, but it has no stock at all. There is a provision in the Act that the Government may issue stock if it chooses to do so; but at the present time they have no stock at all. When the Grand Trunk is taken over by Order in Council it will be operated by the Board of the Canadian National railways—not less than five nor more than fifteen. So far as I can see, the thing will be exactly the same as if they had said the railway shall be operated under the Minister of Railways; that is to say, it will be a branch of the Dominion Government, nothing more nor less, and the fiction of there being a company is just as thin as the fiction of there being a corporation, when you say the Minister of Militia shall look after certain things, or the Minister of Railways or certain others shall do certain things. As a matter of fact, it is the Crown as represented by the Government of Canada.

Hon. Mr. DANDURAND: I put the question, honourable gentlemen, because, in reality, our system of railways will be administered by a commission of management appointed by Order in Council, or by a board of directors—we may give it any kind of name and call it a company. It is but a fiction, and, realizing that it is but a fiction, and that the Government of Canada will be administering a road that is owned by the people of Canada, I ask myself the question, how shall we be able to deal with the public differently from what we would if we were administering a Government-owned railway? In reality, how shall we be able to differentiate between the administration of the Intercolonial railway and that of the Grand Trunk system, when it comes to the question of paying taxes to the towns, cities and municipalities through which the railway passes? That is a point on which I would like to have the opinion of the leader of the Government, because I cannot see how the Intercolonial railway will be freed from municipal taxation, while the Grand Trunk will have to pay the municipal taxes along its road. I cannot see how we can make that difference when in reality those two roads will be in the same position towards the Government.

Hon. Sir JAMES LOUGHEED: I am informed that the legislation which has been passed in no way changes the character of the properties so far as taxation is concerned. The property remains represented by that stock, just the same as if the transaction had not been completed. If the property is taxable to-day it will continue to be taxable.

Hon. Mr. DANDURAND: But the stock is all in the treasury of the Government of Canada.

Hon. Sir JAMES LOUGHEED: But the physical property is not. They could not tax the stock because it is owned by the Crown, but the title of the physical property is just the same as it was before.

Hon. W. B. ROSS: It was stated over and over again in the House of Commons—and I agree with the statement made by a minister of the Crown there—that the Government of Canada would acquire the Grand Trunk by the purchase of its stock. There is no getting away from that; and they may so acquire this stock that, no matter where they put it, whether in their vault or anywhere else, they may start in and manage it under the Canadian National Railway system. It is Government property.

Hon. Mr. DANDURAND: The Act is called "an Act respecting the Acquisition by His Majesty of the Grand Trunk Railway System."

Hon. Sir JAMES LOUGHEED: Suppose the Government wanted to sell the property, it would not make the title by a grant, but it would simply transfer the stock, and that stock continues to be Grand Trunk stock.

Hon. W. B. ROSS: Not at all. It could sell it direct. The Crown could make the grant and convey it.

Hon. Mr. BEIQUE: I think that it would be but proper to have some information from the Government as to the present condition of these different things mentioned here: the Grand Trunk Railway Company of Canada Superannuation and Provident Fund Association, the Grand Trunk Pension Fund, and the Grand Trunk Railway Insurance and Provident Society. What are the conditions of those things?

Hon. Sir JAMES LOUGHEED: I may say the intention is to carry on those in-

stitutions which have been established until the transaction is completed, and then the National railway machinery will be extended to cover all the railways owned by the Government.

Hon. Mr. BELCOURT: I think it is important that we should know just whether this Government is acquiring or is not acquiring the guaranteed stock and this new stock to be issued. I take it that, under this Bill, the Government may, at any time after five years from the date of the appointment of the said committee of management, on six months' notice, by advertisement, acquire or redeem this stock. As has been pointed out, the Bill is called a Bill for the acquisition of this stock. It is a Bill for the acquisition, not now, but only after five years; so that in the meantime, during the five years, this stock is not going to be government property. This stock is going to remain in the hands of the shareholders. The present holders of the guaranteed stock are going to continue to be holders, and the holders of the first, second, and third preferred and common stock are going to have certificates issued to them, and this is going to be guaranteed stock. The Government simply pays a certain amount yearly as a dividend on the whole of this stock, so that I for one think the Bill has been given an improper name. This is not an acquisition now. It can only be an acquisition after five years. I am pointing out that while honourable gentlemen have spoken for government ownership and government operation, and while my honourable friend devoted a great deal of his time to endeavouring to convince the House that we had been committed to this idea of public ownership for practically all time past, this is not government ownership in the way that government ownership has been understood, or at all events has been practised anywhere else. This is an entirely new thing. It is not government ownership, but it is state operation of privately-owned property for five years anyway. The whole thing is called by a name that is should not be called by. It is a very marked departure from anything that has ever been practised anywhere in the world.

Hon. Mr. POPE: No, not in the world.

Hon. Mr. BELCOURT: I do not know of any instance like it. My honourable friend will find that he is wrong. We have seen in some places government ownership and government operation.

Hon. Mr. POPE: And the opposite.

Hon. Mr. BELCOURT: I have never seen anywhere any case of government operation of private property. I do not know that any nation in the world has dared to attempt such a thing.

Hon. Mr. POPE: The honourable gentleman is absolutely wrong, and I want him to be right.

Hon. Mr. BELCOURT: It is important that we should know that fact.

Hon. Sir JAMES LOUGHEED: I have said time and again to my honourable friend that the stockholders abandoned the voting power of their stock and were given, not a guarantee but simply a certificate, or practically a note of the Dominion Government to pay at a certain time in consideration of the stock. The stock is transferred to the Government. The voting power of this particular stock is vested in the Government, and it seems to me to be quite manifest that the shareholders divest themselves of all right of dominion over the road. There is no question about that.

Hon. Mr. BELCOURT: I am not speaking of the road; I am speaking of their stock.

Hon. Sir JAMES LOUGHEED: They hand their stock over to the Government in exchange for non-voting certificates.

Hon. Mr. BELCOURT: Quite so; but they are still owners of the stock.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BELCOURT: Yes, they are, and you cannot purchase it for five years.

Hon. Sir JAMES LOUGHEED: We have five years in which to do it.

Hon. Mr. BELCOURT: No; it says "after five years." My honourable friend ought to read that section over again:

5. The present guaranteed stock and the new guaranteed stock, or any part thereof, may be called in or redeemed by the Government, at par, at any time after five years—

Hon. Mr. DANDURAND: Is it the intention of the Government to maintain as separate entities all those subsidiary companies whose stock is held by the Grand Trunk, and to appoint directors to those boards, or will it endeavour to merge those various companies into the whole?

Hon. Sir JAMES LOUGHEED: There are different agreements between the Grand Trunk and those companies. It depends entirely upon the nature of the agreements. That is to say, where the Grand Trunk has

full authority, that authority would vest in the Government and be transferred from the Government to the National Railway Company. Some of those companies retain their directorates and simply give us running rights, as I understand. Of course, those directorates would continue to administer the companies as heretofore. It depends entirely upon the agreements existing at the present time between the Grand Trunk and the companies.

Hon. Mr. DANDURAND: Of course, in the case of many of those companies the Grand Trunk appoints the Board of Directors. Is it the intention of the Government to appoint those Boards directly, or to have them appointed by the Board of Management which is to administer the National railways?

Hon. Sir JAMES LOUGHEED: That would be a matter of policy to be hereafter determined. No policy has been promulgated or determined upon with regard to that. It depends upon the local conditions. I can very readily imagine conditions existing, particularly in the United States, in which it might be desirable that the old directorate should continue, even assuming that we had the right to appoint directors. Many considerations must enter into the decision as to what step shall be taken.

Hon. Mr. BELCOURT: What I wanted to inquire from my honourable friend (Hon. Sir James Lougheed) was, why it is that the Government have deferred the redemption of this stock for five years. Why is it that the Government do not acquire this stock now? Why must they wait for five years? I would like to have an answer.

Hon. Mr. POPE: Just wait a moment, honourable gentlemen. The honourable member for Ottawa (Hon. Mr. Belcourt) has called into question the accuracy of the statement I made when I interrupted him, and my knowledge with regard to this matter. Evidently the honourable gentleman is speaking superficially, as many of you honourable gentlemen opposite do. In Hungary, in 1906, the total mileage owned and operated by the state was 10,000 miles and the mileage privately owned and operated was 2,000 miles. The cost was $64,842 per mile. Some of these railways were owned by private corporations and operated by the government.

Hon. Mr. BELCOURT: Where—in England?

Hon. Mr. POPE: In Hungary.

Hon. Mr. McSWEENEY: Roumania, probably.

Hon. Sir JAMES LOUGHEED: May I say further to my honourable friend (Hon. Mr. Belcourt) that the five-year clause is not inconsistent with what it is intended to do, namely, to take away the voting power of that stock.

Hon. Mr. BELCOURT: I understand that.

Hon. Sir JAMES LOUGHEED: In the meantime, the holders will probably continue to hold that stock until money becomes cheaper.

Hon. Mr. BELCOURT: I quite understand that; but what I would like to know is what determined the policy of the Government in putting off until the expiration of five years the redemption of this stock. Why is this stock not acquired now?

Hon. Sir JAMES LOUGHEED: That has been determined largely by the rate of interest at which money is obtainable to-day. Money is not obtainable at less than five and a half per cent. It is to be hoped that in five years it will be very much less. In fact, it was proposed originally that the term should be very much longer than five years.

Hon. Mr BELCOURT: Thirty years?

Hon. Mr. BEIQUE: Honourable gentlemen, a question of importance has been raised, whether this property shall be liable to taxation or not, and I must say that for my part, while I do not want to express a positive opinion, I am not inclined to the view that has been expressed by some honourable gentlemen. As I understand the situation, it is this. The Grand Trunk Railway under the statute is a corporate entity. It is represented by stock issued in the company, but that is merely accidental. A corporation may be represented by stock, as commercial corporations are, but a number of corporations exist that are not so represented. It seems to me that the present position of the property, as regards taxation, is not changed because of the powers taken over by the Government under this Bill. There will still be stock in the Grand Trunk Company. True, after the five per cent guaranteed stock has been acquired there will remain only the stock which will be issued by virtue of this Bill and which will carry no voting power, but there will again be stock in the company; so it will continue

in existence as a corporate entity. Therefore, it seems to me, the property does not necessarily become government property.

Section 8 was agreed to.

Section 9 was agreed to.

On section 10—Orders in Council authorized to vest in Government any preference or common stocks not transferred, or to vacate office of director:

Hon. Mr. DANIEL: I would like to ask the honourable leader of the Government why it is that in section 10 the guaranteed stock is not transferred?

Hon. Sir JAMES LOUGHEED: Because it is dealt with differently. We are not acquiring that.

Section 10 was agreed to.

Section 11 was agreed to.

Hon. Mr. BEIQUE: I hope the honourable leader of the Government will accept this amendment which I propose.

Hon. Sir JAMES LOUGHEED: Is that the amendment my honourable friend put in this morning?

Hon. Mr. BEIQUE: Yes. I move that this clause be added to the Bill:

For the purpose of the valuation provided in this Act, the obligations of the Grand Trunk as guarantors of any title of indebtedness of the Grand Trunk Pacific Company or of the Grand Trunk Pacific branch lines 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.

Hon. Sir JAMES LOUGHEED: Will my honourable friend leave out the words "title of" in the phrase, "of any title of indebtedness," which is not clear?

Hon. Mr. BEIQUE: Yes, I will strike out those words.

The proposed amendment of Hon. Mr. Béique, so amended, was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING.

Hon. Sir JAMES LOUGHEED moved the third reading of the Bill.

Hon. HEWITT BOSTOCK: It is important that before this Bill is read the third time we should place on record an expression of our feeling and opinion on this whole question and the position in which the House finds itself at present. This Bill, brought up at the end of the session, has been put through very hastily. We have given to it as much time and consideration as we could, but have not been able to obtain from the Government all the information which we think we ought to have been given in regard to it.

The proposed taking over and operation by the Government of the lines in the United States is, I consider, a very serious undertaking for the Dominion of Canada. The time devoted to the discussion of this measure, in either the other House or this Chamber, has really been inadequate to enable the people of Canada to understand what this Bill really means to them. The adoption of the measure and the taking over of the Grand Trunk stock will place upon this country a liability the magnitude of which we do not quite grasp at present. We have tried to show the extent of the obligations assumed. The Government and the country become responsible for the liabilities of the Grand Trunk Railway system, the Grand Trunk Pacific, and the affiliated roads in the United States. As I pointed out the other day, we have not had definite information as to the liabilities of those roads in the United States. We do not know to what extent we are rendering this country liable for expenses in connection with them. They are under the legislative authority of the several states and the Federal Government, and we have had neither time nor opportunity to study the laws and regulations in force in the United States respecting the operation of railways, or to ascertain what expenditures in connection with those roads may have to be borne by the Grand Trunk system, which we are taking over, and therefore by the Dominion of Canada. As honourable gentlemen are well aware, there is in progress throughout the whole American continent a movement for doing away with level crossings on railways. Canada has enacted legislation on this same subject and we are of course in a position to understand to some extent the great expense which railway companies will have to incur if they are compelled to do away with level crossings and construct subways. Any honourable gentleman who has had experience in railway matters knows well that a large amount of money is required for such works. It may be necessary for us to spend enormous sums of money for the purpose of making such improvements on the lines

in the United States, but on this point we have very little information.

Then there is a question that has been but little discussed during the passage of the Bill through this House, and I do not think it was much discussed in the other Chamber: that is the management and operation of the railways when the Grand Trunk comes into the Government's possession. When the Government take over the Grand Trunk they will be confronted with the very serious problem of operating 20,000 miles of railway. A business may look to be very prosperous and the price paid for it may be considered reasonable, but, as any honourable gentleman accustomed to business affairs is aware, unless that business is managed by a thoroughly competent, experienced man, it may become a great failure instead of a success, and may result in a great loss to the owner instead of bringing him proper returns. The same is true of this whole railway undertaking.

We have not had any information from the Government as to how they expect to be able to run this system once they get it into their hands. My honourable friend said that this committee of management, which is to be appointed under the Bill, will look after the operation of the railway for the time being. But I appeal to any honourable gentleman in this Chamber, and ask whether that is a satisfactory way of handling a large railway business of this nature, when that committee know that they are going to be dispossessed as soon as this transaction is completed and the stock is brought into the hands of the Government. As I understand it, that committee of management is simply for the purpose of carrying on the operation of the Grand Trunk Railway for a certain time, so that a working arrangement can be made between them and the other government railways. If the Government Railway system is to be a success, and is to be made profitable to the Government, the mistakes that are now being made will have to be avoided and the system will have to be put in better condition than it is in to-day. We must appoint a Board of Management which will have the confidence not only of the Government, but of the country, so that the people will feel that the operation of these roads is being carried on to the very best advantage.

During this debate a great deal has been said about the question of government ownership. I think that every honourable gentleman in this Chamber, whether he is in favour of government ownership or is opposed to it, now that this Bill is going through and is going to become law, is anxious that the operation of these roads should be carried on so as to be of the greatest possible benefit to the country. I do not think that we have had from the Government sufficient information to enable us to know how this is to be attained; but I think it is a matter of great importance to the people of the country that the management of this enormous railway system should be such as to inspire their confidence. From one end of the system to the other we have got to have men who will realize that it is their duty and their business to make the whole system a success. It would be a terrible thing for this country, especially in its present financial condition, if the large deficits of this railway should continue. I want to urge upon the Government, in the strongest possible way, that as soon as possible they should see that the whole government system of railways is placed in such a position that its operation will be maintained at the very highest point of efficiency.

Hon. Mr. DANDURAND: Honourable gentlemen, there is one feature of the situation confronting us which I did not dwell upon in the remarks which I had the privilege of making to this Chamber when we were considering this Bill upon the motion for the second reading.

I take this opportunity of drawing the attention of honourable gentlemen to the advantage we possess in having Hansard, where in years to come we may see what position we individually occupied on certain questions; but that will not relieve honourable gentlemen of the responsibility of voting for the third reading of this Bill. I want to remind this Chamber that we are about to adopt a measure by which we assume the administration of an immense railway system, one of the largest in the country, covering the whole of the provinces of Ontario and Quebec, with all the risks that such an administration entails. In doing that, we should realize that the Government of the day, when it faced the electorate in the last election, sought no mandate from the people to go into this venture.

I was not present at the caucuses held by the so-called Unionist party, but from reports in the press, and perhaps from echoes in another Chamber, I know that many important questions that were deemed to be vital to the best interests of Canada have

been postponed from session to session because the Prime Minister and his colleagues declared that they had no mandate to deal with those questions. I am in the judgment of many of my colleagues who do me the favour of listening to me at this moment, when I say that they attended meetings of the Ministerial party at which it was decided that the tariff question, for instance, should not be touched by this Parliament because the last election had been won on the single and only issue of winning the war, and that when that was done the mandate of the Government would be at an end, and they would feel the necessity of returning to the pople for another mandate.

I have cited the tariff as one of the questions that should be discussed and settled. It is a question in which all sections of Canada are interested, although perhaps from different points of view. Yet, when strong representations upon that question were being made to the Ministerial party in caucus, the stand of the Government was that they had no mandate from the people on that question. I understand that, as a matter of fact, the members elected to support the Union government were not at one on that question, but that there were serious differences of opinion amongst the various groups that form the Unionist party. I mention the tariff as an illustration to show—and it has been affirmed and reaffirmed since the election—that on many important matters the Government has withheld its hand.

The war is now over. We are met in this special session to approve of the Treaty of Peace. One of the ministers who entered the Cabinet in order to win the war, the Hon. Mr. Crerar, felt that his mandate was at an end, and he withdrew from the Cabinet.

My honourable friends who represent the various provinces in this Chamber are now presented with a measure of the greatest importance, a measure which may have the most far-reaching results, and yet is submitted by a Government that has no mandate to bring it before us. It seems to me that that is one of the considerations which should determine us to accept the suggestion made by the honourable member for Middleton (Hon. W. B. Ross) that this matter should not be definitely settled at this session. A postponement of this question until the next session of Parliament would be but one way of expressing the opinion that it is a matter that has not been sufficiently before the public to enable us to decide that public opinion is in favour of it—a consideration that should be sufficient to justify this Chamber in postponing it until the people have an opportunity of pronouncing upon it. I say that because alternative schemes have been presented which would tend in the same direction without being fatal to the undertaking.

I have said that a working arrangement could be brought about between the Canadian National railways and the Grand Trunk railway for providing terminals and an exchange of traffic between the East and the West. If such an experiment should prove unsuccessful, we could then take another step—perhaps the one that is now proposed; and the door would still be open for us to do so. On the other hand, if we now purchase the Grand Trunk railway we destroy a splendid organization which has given good results up to the last few years.

The honourable leader of the Government says: "Let us try the experiment; it is a passing fad; but the people—I do not commend him for his opportunism—at least, the majority of the people who go to the polls—seem to be in favour of government ownership; if it fails, we will try to dispose of this system to another syndicate or organization." I have drawn his attention to the fact that we are taking a great risk in throwing to the winds the present organization. It has ramifications in London, and up to within a very few months ago it has been able to carry on without knocking at the door of the Minister of Finance and asking for assistance in the administration of its business. I think my honourable friend will live long enough to realize that he has parted from a very good friend; and I fear that he will search in vain for a new friend who can fill the place of the friend he has lost.

Hon. Mr. BELCOURT: Honourable gentlemen, I had intended to inflict my views on this matter upon the House upon the second reading of the Bill. Last night there was a very general wish that the proceedings should be closed. It was nearly two o'clock before we got through, and I am afraid that if I had acted upon my first intention the sitting might have been extended till three or four o'clock. For that reason I did not take up the time of the House.

I have just been told by my honourable friend from Brome (Hon. Mr. Pope) that he intended to speak to-night on the third read-

ing; but he has just now sent me a challenge, which I think I must accept, and that is, to say nothing.

Under the circumstances, because I do not wish my silence to be construed as an admission that I have been convinced, or converted, or perverted, before resuming my seat I am simply going to say that I am as much opposed to this legislation as I ever was, and that I have not heard a single argument to cause me to change my view.

Hon. Mr. POPE: I am sure it will be a great relief to the House to know that a pacific arrangement has been arrived at by the honourable gentleman from Ottawa (Hon. Mr. Belcourt) and myself. I have not changed my view either.

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

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE.

Saturday, November 8, 1919.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

IMMIGRATION TO CANADA.

INQUIRY.

Hon. Mr. CASGRAIN inquired:

1. Is the Government aware of the arrival in Canada of the undermentioned steamers each carrying a large number of steerage passengers:
   October 24, 1919, Grampian, number of steerage passengers, 708.
   October 24, 1919, Metagama, number of steerage passengers, 962.
   October 24, 1919, Melita, number of steerage passengers, 1,211.
   October 28, 1919, Megantic, number of steerage passengers, 978.
   October 28, 1919, Empress of France, number of steerage passengers, 939.
2. How many of these steerage passengers are new immigrants?
3. Is it the policy of the Government to encourage immigration to Canada at present?
4. Is the Government willing to check immigration like the United States of America until industrial conditions become normal?

Hon. Sir JAMES LOUGHEED:

1. The Government is aware that the steamships mentioned arrived on or about the dates indicated, but the manifests have not yet arrived at head office, and it is impossible to say how many third-class or steerage passengers were on each ship.

2. See answer to No. 1.

3. Only the immigration of agriculturists and female domestic servants. It is probable that the majority of passengers on the sailings mentioned are persons returning to Canada who were formerly resident here, and soldiers' dependents.

4. It has so far not been considered necessary to check immigration to Canada in the manner proposed by a Bill introduced in the United States Congress. Certain powers are conferred upon the Governor in Council, under section 38 of the Immigration Act, which powers will be invoked if conditions call for that action.

SOLDIERS' CIVIL RE-ESTABLISHMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill 10, an Act to amend the Department of Soldiers' Civil Re-Establishment.—Hon. Sir James Lougheed.

The Bill was read the first time.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: This Bill has been made necessary chiefly through giving legislative effect to the Orders in Council passed under the War Measures Act. As honourable gentlemen know, the work carried on by this department is largely of an emergent or temporary character. Consequently the authority under which it has been acting is largely that of Orders in Council. Certain recommendations have been made in the report of the committee of the Commons touching the re-establishment of returned soldiers, and that report has been adopted in the Commons. I do not purpose moving the final reading, nor even for the committee stage at present, as certain amendments will have to be made which it was suggested in the House of Commons might be made in the Senate. The clauses deal chiefly with the making of regulations touching hospital workshops and other institutions under the department, the appointment of technical and temporary special staffs, the making of artificial limbs and appliances, and so forth.

Hon. Mr. BOSTOCK: Does this Bill extend the power to deal by Order in Council?

Hon. Sir JAMES LOUGHEED: Simply as to regulations.

Hon. Mr. BOSTOCK: That is all?

Hon. Sir JAMES LOUGHEED: Yes.

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

POSTMASTERS' SALARIES BILL.

FIRST READING.

A message was received from the House of Commons with Bill 31, an Act to amend The Civil Service Act, 1918, with respect to the salaries of certain Postmasters and Assistant Postmasters.—Hon. Mr. Blondin.

The Bill was read the first time.

IMMIGRATION BILL.

FIRST READING.

A message was received from the House of Commons with Bill 38, an Act to amend The Immigration Act.—Hon. Sir James Lougheed.

The Bill was read the first time.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Honourable gentlemen, this Bill is a very short one. It provides for free transportation for immigration officers. It amends chapter 27 as follows:

> Transportation companies shall furnish to immigration officers such free transportation as may be required in connection with their official duties, as directed by the minister.

Hon. Mr. BOSTOCK: Has not the Government power to arrange this now? What is the reason or necessity for this legislation?

Hon. Sir JAMES LOUGHEED: I fancy it is for the purpose of giving the authority which is embodied in the section. Apparently the Government has not the necessary authority at the present time.

Hon. Mr. BOSTOCK: Is it due to the provision that was inserted in the Railway Act last session?

Hon. Sir JAMES LOUGHEED: I really cannot tell my honourable friend.

Hon. Mr. BOYER: That is the reason which was given in the other House—that by the Railway Act all passes were suppressed. The transportation of these officers from one post to another costs the Government quite a large sum; so the Government has decided to authorize the railways to grant passes to those officers.

Hon. Mr. McSWEENEY: That is only for employees, is it not?

Hon. Sir JAMES LOUGHEED: Yes; it is for the officials of the Immigration Department.

Hon. Mr. BOYER: I will have to join the Government.

Hon. Sir JAMES LOUGHEED: It is for those persons while acting officially.

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

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into committee on the Bill. Hon. Mr. Bradbury in the Chair.

On section 1—free transportation of immigration officers:

Hon. Mr. BOSTOCK: Who has the authorizing of this transportation?

Hon. Sir JAMES LOUGHEED: The minister.

Hon. Mr. BOSTOCK: The authority must all come from him?

Hon. Sir JAMES LOUGHEED: Yes, directed by him:

Hon. Mr. ROCHE: I think the wording of that clause is rather loose: "In connection with their duties." They might take their families with them. Would not "in pursuance of their duties" be better?

Hon. Mr. DANDURAND: There is nothing in this clause which will protect the public against considerable abuses occurring through the exercise of this power. In past legislation we have tried to minimize the granting of passes. Now we are entering upon the government ownership of railways, and we should be very careful not to pass any kind of Act which would permit of the carrying of passengers to the detriment of the treasury. Of course, it will be said in this case that the situation is as broad as it is long, inasmuch as the Government would have to pay the transportation expenses of its immigration officers anyway. I hope that in the administration of this legislation there will be no false pretext, but that it will be strictly limited to immigration officers engaged in public duties.

Hon. Sir JAMES LOUGHEED: It is so expressed.

Hon. Mr. BOYER: What about custom house officials? We meet them on the trains coming from New York when we arrive at the Canadian boundary. Do they pay their fare, or do they travel free?

Hon. Sir JAMES LOUGHEED: The officers to whom my honourable friend refers would presumably be the immigration officers, who travel up and down on the trains,

particularly those crossing the line. Many of those officials are on the American side for the purpose of putting questions to persons entering Canadian territory. Those officers are on the trains at all times, and I suppose that makes it desirable that this provision should be embodied in the Act.

Hon. Mr. DANDURAND: I am not disposed to move an amendment to this Bill, but I would commend to my honourable friend the advisability of considering the introduction of a very simple enactment to provide that the minister and also the management of the Canadian National railways should early in each session place on the tables of both Houses a list of all persons to whom passes have been granted during the year. If that were done we would have a very interesting and very effective check upon requests made during the year for free transportation.

Hon. Sir JAMES LOUGHEED: I would point out to my honourable friend that the legislation which the Government put through last session will probably result in an increase of several millions in revenue to the different railways of Canada by reason of the suppression of passes.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

The Bill was read the third time and passed.

TELEGRAM FROM C. KELLY DICKINSON.

INQUIRY.

On the Orders of the Day:

Hon. Mr. McSWEENEY: As a question of privilege, I would like to ask the honourable the Speaker if he has received a despatch from one Kelly Dickinson, which I will read:

> This is Canada's century. Please speed up and remember that the beaver brooks no delay. (Signed) C. Kelly Dickinson.

Hon. Mr. MURPHY: That must be down in New Brunswick.

Hon. Mr. McSWEENEY: I would like to know if the honourable the Speaker received it?

The Hon. the SPEAKER: I may say that I do not remember having received such a despatch.

Hon. Mr. BRADBURY: What is the key of the situation?

Hon. Mr. TESSIER: What answer did he get?

THE NEXT SESSION OF PARLIAMENT.

TIME OF MEETING.

On the Orders of the Day:

Hon. Mr. TURRIFF: I would suggest to the honourable leader of the House that the next session of Parliament should, if possible, be called for January, or at the very latest, early in February, in order that there may be plenty of time to finish the session before the hot weather comes. We all know it is unpleasant to have to sit here during June and July. It has always seemed to me that not only this Government but also previous governments could by a little effort have called the session in January as well as in March. I make the suggestion to my honourable friend.

Hon. Mr. BOYER: You might suggest that it be another short session.

Hon. Mr. SMITH: Two of them.

THE DRAFTING OF BILLS.

SPECIAL COMMITTEE APPOINTED.

On the Orders of the Day:

Hon. Mr. BELCOURT: In view of the imminence of prorogation, I desire to bring to the attention of honourable gentlemen a matter which has already been discussed once or twice during this session, and which ought to be disposed of now. Many members have at various times expressed their difficulty in understanding amendments to Bills because those amendments were not printed with the sections to be amended. My honourable friend (Hon. Sir James Lougheed) has on several occasions expressed his entire concurrence in the desirability of finding some means of overcoming that difficulty. He has told us in the course of the present session that he had not been able to accomplish the purpose which we all have in view, and he has suggested that before the House prorogued some steps ought to be taken towards attaining that purpose.

Hon. Sir JAMES LOUGHEED: Would it not be advisable to take action by means of a small joint committee of both Houses? As most of the bills originate in the House of Commons, such a committee could doubtless secure the co-operation of the Law Clerks of both Houses.

The Hon. the SPEAKER: I am informed that the Law Clerk of the Commons and the Law Clerk of the Senate have been con-

sulted in regard to this matter, and they have promised to see what can be done at the next session of Parliament.

Hon. Mr. BELCOURT: I am quite prepared to accept the suggestion of my honourable friend.

Hon. Mr. BEIQUE: According to the suggestion of my honourable friend, I understand that the section to be amended would be printed in full, with the amendment printed in italics. That method has been followed in the Quebec Legislature, and it has worked exceedingly well. I think the proper course would be to appoint the suggested committee immediately that they may confer with the members of the House of Commons without delay.

Hon. Mr. BELCOURT: I move:

That a special committee of this House composed of Hon. Sir James Lougheed, Hon. Messieurs Bostock, Ross and Belcourt, be appointed for the purpose of conferring with the honourable members of the House of Commons, in order that all Bills which purport to amend any act of Parliament, upon submission for first reading, shall have printed therein in full, in italics, in both English and French, the section or sections purporting to be so amended.

Hon. Mr. DANDURAND: Unless something is done within the next twelve hours, we may have to begin all over again next session. I do not see how we can secure the appointment of a committee of the other House.

Hon. Sir JAMES LOUGHEED: The Parliamentary Counsel, Mr. Gisborne, with whom I have discussed this question during the present session, is very much in favour of something of the kind being done.

Hon. Mr. BOSTOCK: I presume my honourable friend will draw the attention of the Parliamentary Counsel to the matter.

Hon. Sir JAMES LOUGHEED: I will.

The motion was agreed to.

The Senate adjourned until 3 p.m.

Second Sitting.

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

Routine proceedings.

SOLDIERS' CIVIL RE-ESTABLISHMENT BILL.

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on Bill 10, an Act to amend The Department of Soldiers' Civil Re-establishment Act. Hon. Mr. Bradbury in the Chair.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, the Bill before the Committee contains certain amendments which I shall ask the Chairman to be good enough to read when we reach them. They are made at the suggestion of the House of Commons. When the Bill was up for discussion yesterday it was proposed to the Hon. Mr. Calder, who had charge of the Bill, that the amendments should be made in the Senate, and we shall accordingly make them.

On section 1, new section 5, subsection 1—minister to have control of civil re-establishment:

Hon. Mr. BOSTOCK: Is this an enlargement of the department over which my honourable friend presides? Are we placing more work on his shoulders? I had always understood that my honourable friend had a large amount of work to do.

Hon. Sir JAMES LOUGHEED: This only gives effect to the Orders in Council under which the department is already acting. It gives no additional power or authority except in a modified form, what is contained in a recommendation made by the Special Committee of the House of Commons and practically accepted by that House, as to temporary appointments being made notwithstanding the Civil Service Act.

Subsection 1 of new section 5 was agreed to.

Paragraph a of subsection 2, new section 5, was agreed to.

On paragraph b of subsection 2, new section 5—technical and special temporary staff:

The Hon. the CHAIRMAN: There is an amendment to that:

Add to subsection 2 (b), of new section 5, the following:

Provided, however that the rules and regulations referred to shall contain such appropriate provisions as are necessary to have such appointments from time to time as required certified by the Civil Service Commission.

Hon. Mr. BOSTOCK: Why is it necessary to have this amendment? The department is to be under the control of the Civil Service Commission as it is to-day, is it not?

Hon. Sir JAMES LOUGHEED: It is in a sense, but the Civil Service Commission.

recognizing the emergency character of the work, has up to the present time permitted the department practically to make its own appointments, which are but temporary appointments, and the commission afterwards certify to them, where necessary. But it is desirable that this should be expressly stated in the Act, so as to relieve the Civil Service Commission of the responsibility which rests upon it, and to give to the department the advantage of making appointments instantaneously where it may be necessary to do so.

The amendment was agreed to, and paragraph b of subsection 2 of new section 5, as amended, was agreed to.

Paragraphs c, d, e, f and g of subsection 2, new section 5, were agreed to.

On paragraph h of subsection 2, new section 5—penalties:

Hon. Sir JAMES LOUGHEED: I move that the following be substituted for subsection 2 (h) of new section 5:

(h) For imposing penalties not exceeding in any case a fine of two hundred dollars or imprisonment for a term not exceeding three months enforceable upon summary conviction for the violation of any provision of any such regulation.

The amendment was agreed to.

Hon. Sir JAMES LOUGHEED: It is desired to insert the following as paragraph i:

(i) All regulations made hereunder approved by the Governor in Council shall be laid before Parliament within fifteen days after they are made if Parliament is then sitting; and if not, then within fifteen days after the opening of the next session of Parliament.

The amendment was agreed to.

Subsection 2 of new section 5, as amended, was agreed to.

Subsection 3 of new section 5 was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING.

On motion of Hon. Sir James Lougheed, the Bill as amended was read the third time and passed.

POSTMASTERS' SALARIES BILL.

SECOND READING.

Hon. P. E. BLONDIN moved the second reading of Bill 31, an Act to amend the Civil Service Act, 1918, with respect to the salaries of certain postmasters and assistant postmasters.

He said: Honourable gentlemen, the purpose of this Bill is to make provision for continuing the policy which has already been in force ever since the Special War Revenue Act was passed. Its effect is to prevent postmasters and assistant postmasters in city offices from drawing salaries on any portion of the revenues derived from the sale of war-tax stamps. The salaries of the postmasters and assistant postmasters in city offices are provided as shown by the Civil Service List. The policy which I have mentioned has up to the present been enforced under the War Measures Act, but, as the war is over, it is necessary to bring these provisions before the House in order that that policy may be continued.

Hon. Mr. BOSTOCK: Can the honourable minister give us any idea of the quantities of these stamps that have been sold through the post offices? Have the postmasters made any claim for commission for handling war-tax stamps.

Hon. Mr. BLONDIN: We have no exact return of the numbers of war-tax stamps sold. Honourable gentlemen can readily understand that it is pretty difficult to ascertain what proportion of those stamps have been used for postage, and what proportion for the tax. We can make a fairly accurate computation, however. It is estimated that about one-third, or 28 per cent, of the revenue of the department is derived from that source.

Hon. Mr. McSWEENEY: Do you pay the postmasters a commission or an additional salary for handling stamps?

Hon. Mr. BLONDIN: The salaries of the city postmasters are established by the Civil Service Act, and are based on the value of the stamps sold by them. They range from $1,400 to $4,000. I shall give the House the figures showing the revenues upon which the different salaries are paid. They are as follow:

Revenue.			Salary.
$ 20,000	to	$ 40,000	$2,000
40,000	to	60,000	2,200
60,000	to	80,000	2,400
80,000	to	100,000	2,800
100,000	to	150,000	3,200
150,000	to	200,000	3,500
200,000	to	250,000	3,750
An amount exceeding		$250,000.	4,000

The salaries of assistant postmasters range from $1,400 to $2,800.

Hon. Mr. FOWLER: Does the Government pay the salary of a postmaster's assistant in a town post office or does the

postmaster have to pay that out of his own pocket?

Hon. Mr. BLONDIN: There are two kinds of offices. There are the revenue offices where the postmaster receives the whole revenue and pays his employees—

Hon. Mr. FOWLER: The whole revenue?

Hon. Mr. BLONDIN: A percentage. They are on a different basis from the other offices and are not provided for by the Civil Service Act, but by regulations of the department. These are country postmasters.

Hon. Mr. FOWLER: But in towns with a population of say 2,500 or 3,000 people, how are they paid?

Hon. Mr. BLONDIN: The employees are paid by the department.

Hon. Mr. FOWLER: Paid by the department and employed by the department?

Hon. Mr. BLONDIN: There are two classes of postmasters. The city postmasters have nothing to do with paying their employees; these are in the Civil Service. In a revenue post office, as in a country post office, the postmaster is paid a certain percentage of the revenue and has to pay his employees out of his own pocket.

Hon. Mr. FOWLER: And he appoints them?

Hon. Mr. BLONDIN: Yes.

Hon. Mr. MURPHY: I would like to ask the Postmaster General how he is going to determine what proportion of the stamps sold in a city post office are used for war tax purposes. If I go to postal wicket and buy five hundred stamps, how is the Post Office Department to know what use I make of them?

Hon. Mr. BLONDIN: The calculations are based not so much on the number of stamps sold as on the number of letters handled by the post office. Of course, the result cannot be absolutely accurate, but it is pretty close to the mark.

Hon. Mr. TODD: I would like to draw the attention of the Postmaster General to a case in my county that verges on the ridiculous. A postmaster has to employ an assistant, and the remuneration that he receives for himself and his assistant is about $1,000 a year, while a caretaker of the public building in which the post office is located receives, under the new classification, over $1,000 a year, with free rent, free heat, and free water.

Hon. Mr. MURPHY: I would like to voice a similar protest in regard to a most incongruous state of affairs that exists in my town. The postmaster has to be up until one or two o'clock in the morning to receive the incoming mail, and he has to be up at five in the morning to deliver the outgoing mail. He receives $1,100 for doing this work. He has not time to go to bed. The man who looks after public buildings receives an equal salary, and gets a free house and a very good house.

There is another thing that I would like to draw attention to. Where the revenue of a post office is about $5,000 a year, two clerks cost only about $500 each, so the postmaster nets about $4,000; whereas the postmaster in the city of Charlottetown receives only $2,000 a year. There are many ragged edges in the Post Office Department that require trimming.

Hon. Mr. FOWLER: I would suggest that one of the difficulties mentioned is caused by the fact that public buildings were erected in small hamlets.

Hon. Mr. TODD: Honourable gentlemen from Montreal or Toronto may call my town a small hamlet, but I object to my honourable friend from Sussex doing so.

Hon. Mr. MURPHY: I do not mind the badinage of my honourable friend; but I submit that it is a ridiculous state of affairs that a man who has to work twenty-four hours a day, and therefore has to employ an assistant, receives only $1,000 a year.

Hon. Mr. McSWEENEY: If he is up all night and all day, what does the assistant do?

Hon. Sir JAMES LOUGHEED: Maybe he sleeps for the postmaster.

Hon. Mr. MURPHY: In this case the assistant is a lady, and takes charge of the post office in the daytime while the postmaster is sleeping. This is no joke, honourable gentlemen. I submit that it should be within the power of the Postmaster General to correct an anomaly of this kind.

Hon. Mr. FOWLER: It seems to me that in these days of what might be called flamboyant democracy there is nothing wrong in a caretaker receiving as large a salary as a postmaster. They both have to live, and surely one man is entitled to the same luxuries as the other enjoys.

Hon. Mr. MURPHY: The caretaker does not have to employ an assistant.

Hon. Mr. TODD: I took up the case that I referred to with the deputy minister, and drew attention to the fact that the postmaster had to be on duty from six o'clock in the morning until eight o'clock at night. I was told that the department would give the matter serious consideration. Later on I received a letter, and I found that the serious consideration had resulted in an increase of thirty dollars a year for overtime.

Hon. Sir JAMES LOUGHEED: That would be $2.50 per month, and yet he is dissatisfied.

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

CONSIDERED IN COMMITTEE.

On motion of Hon. Mr. Blondin, the Senate went into Committee on the Bill. Hon. W. B. Ross in the Chair.

On section 1—revenue from war stamps not to be included in postage collections when determining salaries of city and assistant city postmasters:

Hon. Mr. BOSTOCK: Do the postmasters get any commission or any consideration on the sale of the war-tax stamps

Hon. Mr. BLONDIN: Not at all.

Hon. Mr. POIRIER: Will the salaries of any postmasters be reduced under this Bill ?

Hon. Mr. BLONDIN: No, the Bill does not affect the salary of any postmaster.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING.

On motion of Hon. Mr. Blondin, the Bill was read the third time, and passed.

CIVIL SERVICE BILL.

CONSIDERED IN COMMITTEE.

On the order for the third reading of Bill 18, an Act to amend the Civil Service Act, 1918.—Hon. Sir James Lougheed.

Hon. Sir JAMES LOUGHEED: I move:

That the Bill be not now read a third time, but be referred to the Committee of the Whole.

There are certain amendments recommended by the special committee which have to be made in the Bill.

The motion was agreed to, and the Senate went into Committee on the Bill. Hon. Mr. Blain in the Chair.

Hon. Sir JAMES LOUGHEED: At the end of subsection 3 of section 5 it is necessary to add the words:

or for any other position for which he may have qualified.

Then on page 3, the following words are stricken out of section 7:

by inserting the word "organization" after the words "relates to" in the first line thereof.

Hon. Mr. POWER: The amendments with which my honourable friend is now dealing were both reported by the committee, and the report was adopted by the House.

Hon. Sir JAMES LOUGHEED: Yes, but the amendments have to be put into the Bill.

Hon. Mr. POWER: The House concurred in the amendments.

Hon. Sir JAMES LOUGHEED: That is what we are doing now. There is this further amendment:

On page 4, in line 22, leave out the words, "Governor in Council otherwise directs, and the Governor in Council shall have power to make this Act apply in whole or in part to any of the said positions," and insert the words, "Parliament otherwise enacts."

The said amendments were concurred in.

On section 9—new section 38A—examinations:

Hon. Sir JAMES LOUGHEED: I would ask honourable gentlemen to refer back to page 4, section 9. At the end of new section 38A these words should be inserted:

And nothing in this Act shall affect the powers of the Governor in Council with respect to the appointment of any commissioner or other member of any royal or other commission or board or any deputy head.

My attention has been directed to the fact that the old Act has practically operated as a repeal of the power of the Governor in Council to appoint a deputy head.

Hon. Mr. FOWLER: Is not there a reservation or exception in some part of the Bill?

Hon. Sir JAMES LOUGHEED: Provision is made in the classification, but it is necessary to have it also in the Bill.

The amendment was agreed to.

Hon. Sir JAMES LOUGHEED: Proceeding now to new section 45, on page 6, I propose that subsection 2 of this section should be amended as follows:

After the word "Commission," in the second line of subsection 2, insert the words "upon the

recommendation of the deputy head and," so that the subsection will read as follows:

Promotion shall be made for merit by the Commission upon the recommendation of the deputy head and upon such examination as the Commission may by regulation prescribe.

There is no way of setting in motion the promotion except by somebody in the department. The commissioners themselves would not have any personal knowledge as to the advisability or wisdom of such a promotion being made. It must be set in motion by somebody; then a recommendation is made by the deputy head.

Hon. Mr. FOWLER: Would it not be set in motion by a vacancy occurring? There could not be a promotion without a vacancy.

Hon. Sir JAMES LOUGHEED: Oh, yes.

Hon. Mr. FOWLER: Without a vacancy occurring either by the death or the superannuation of the incumbent of the position or by the classification creating a new position?

Hon. Sir JAMES LOUGHEED: But the promotion does not take place automatically.

Hon. Mr. FOWLER: No, but would not the members of the Civil Service who were in line for that promotion be alert enough, if they saw an opening which meant promotion for them, to set in motion the application for it?

Hon. Sir JAMES LOUGHEED: It might not be necessary to fill the vacancy; it might not be necessary to take any action. But it seems to me not unreasonable that the deputy head, who is the head of the department, should say to the Civil Service Commission: "It is desirable to do so-and-so." The commission then may exercise its authority and judgment as to whether it shall act or not.

Hon. Mr. FOWLER: We discussed this matter very fully in the committee.

Hon. Sir JAMES LOUGHEED: May I ask Mr. Gisborne to come within the bar?

Hon. Mr. FOWLER: We discussed this matter very fully in the committee and it was the consensus of opinion—I think I am reflecting the judgment of the committee—that it was not necessary to have any action taken on the part of the deputy minister, because the vacancy occurs by reason of a new classification, or by the death or removal of the present incumbent of the position. It is perfectly well known to the members of the Civil Service who would be in line for promotion to that position. Here is where the deputy minister comes in. He is supposed under the new Act to keep an efficiency report regarding every man in his department, and the examination held by the Civil Service Commission is based upon a certain technical test and upon the nature of that efficiency report which is under the control of the deputy minister. Otherwise there might be favouritism on the part of the deputy ministers, who are only human. Human beings are very likely to have favourites, and it is not always the best man who would win. But efficiency reports are kept, and if they are kept properly, as it is to be presumed they will be, nothing unfair will be done, because the commission have no interest in any individual and the appointment would be made on merit. If the applicant has passed the examination and the efficiency report shows that he has the necessary qualifications, he will be appointed. That argument appealed to the committee, and I think I am reflecting the committee's judgment in that regard when I say that we thought the Bill should be left as it is.

Hon. Mr. POWER: The amendment proposed by the honourable leader of the House is a very desirable one. Fortunately, in Canada nowadays the deputy heads, as a rule, have no politics. There are a number of deputy heads who were formerly known as Liberals and there are a number who have been known as Conservatives, but as a rule the deputy ministers in this country are above politics and do not allow their actions to be influenced by their previous party connections.

Hon. Mr. FOWLER: There is no question whatever of politics.

Hon. Mr. POWER: The deputy head is supposed to be familiar with the work of all his subordinates. The Civil Service Commission cannot be familiar with the merits of the subordinates in the different departments, and I think that it was a defect in the Bill as it came to us originally; that it made no provision for a certain control by the deputy head. If a vacancy occurs in a department I think the deputy minister is just the man who is most likely to know which of his staff should be promoted. This amendment is a step in the right direction. We should not ignore the deputy heads, who are a very capable and deserving class of public servants.

Hon. Mr. FOWLER: I had no idea of politics at all in my mind when I spoke,

and I do not think that politics would affect these gentlemen. But there are other kinds of favouritism besides political. It might easily be that a man who was very subservient to his chief would earn the close friendship of the chief, while another man, whose work and merits were superior, might by his manner not be so pleasing to his chief; and that, therefore, when a recommendation was made, the time-server and the supple-kneed gent would be the man to get the promotion whether he deserved it or not. I fail to see how the method of promotion prescribed in this section can be improved upon.

Fortunately, the salaries of the Civil Service Commissioners are now sufficient to attract good men, and we have good men in those positions. They have done their work exceedingly well, and to my mind they deserve the thanks and the gratitude of this House and this country for the manner in which they have performed a very difficult task. They had before them the great task of re-classification, in which they were of course assisted by efficiency experts from the other side. If we are going to make the Civil Service in this country a success we must abolish not only patronage on the part of the members of the House and of the Government, but also a more pernicious, more evil system of patronage—that which may be exercised by the deputy minister or head of a department, who has no such responsibility to the country as a member of Parliament has. If you are going to abolish that, you must give the Civil Service Commission an opportunity to show that the system that you have adopted is the best system. You must eliminate all chance of favouritism in recommendations for appointments. Now the classification is in the hands of the Civil Service Commission, and by a scheme known as the Jameson scheme—for, as I understand, it was devised largely by Mr. Jameson, one of the members of the commission—there is provided a means whereby all the anomalies that at present exist in the classification may be removed, as you will see by section 44 of the Bill. There is a Board of Hearing, of which one of the members of the commission is the head. The deputy ministers are represented on that Board of Hearing, and also the body of the service. Everybody will therefore have a fair show. This Board of Hearing provides for the very thing that some of the deputy ministers were exceedingly anxious about, in the case of the appointment of technical experts. I understand that an amendment is to be moved with regard to that. In the case of technical experts, there will be on the Board of Hearing a member who will be an expert along the lines of the position which is to be filled.

The chairman of our committee is here and will be able to say whether I am right or wrong in this matter. I think it was the judgment of the committee that the section should be retained, because otherwise there would be an undue interference with the principle that underlies this whole system of the control of government appointments by the Civil Service Commission.

Hon. Mr. MURPHY: I agree with the statement of the honourable member for Sussex (Hon. Mr. Fowler) that the committee examined this question very carefully. We discussed it for probably half an hour and after a full investigation came to the conclusion, which was practically unanimous, that the clause should stand. There were strong objections made by deputy ministers who appeared before the committee; but notwithstanding all they could say against the clause, we decided, for the reasons given by the honourable senator from Sussex, that it would be pernicious to turn back and practically put the control back into the hands of the deputy ministers, leaving matters as they were. Any man who has been about the corridors of the public buildings for the past seven or eight years knows something of the anomalous conditions which have arisen from the recommendations of deputy ministers, especially when they had practically the absolute power of appointment; and it was with a view to doing away with conditions of that kind that this classification was prepared. As has been pointed out, there is now a board of review, and anybody who feels aggrieved can bring his case before that board. The deputy minister himself can appeal to the board, and all parties are represented. If we are going to make and keep the Civil Service Commission independent, it is for that commission to determine what is right in the circumstances.

Hon. Sir JAMES LOUGHEED: I had not the opportunity of being present when the committee discussed this particular subject. If the committee have given to it the consideration which my honourable friend (Hon. Mr. Fowler) states they have, there is no desire to disturb the committee's report in that respect. I may say that my attention was directed to this matter by some officials of the Government, and I said I would submit it to the House.

Hon. Mr. BOSTOCK: Before the honourable leader of the House takes that stand, I would point out that there was more than one opinion in the committee about this very matter. The question was considered by the committee, and we heard the deputy ministers of two of the departments with regard to it. So far as I am personally concerned, I think that the deputy minister ought to have some say in the matter of promotions. As the head of the department he is responsible for the administration of the department's affairs, and I cannot see how he can keep his department working up to full capacity and at the highest notch of efficiency if he is not in a position to say who is fit for promotion, provided that the person recommended has the qualifications required by the Civil Service Commission. This particular subsection, I think, takes too much away from the deputy minister and leaves too much to the control of the Civil Service Commissioners, who cannot, so far as I can see, be personally in touch with the whole work of the department, as the deputy minister ought to be. The Deputy Minister of Finance stated before the committee that he feared there would be great difficulty in handling some of his staff on account of this provision. We had before us also the Deputy Minister of Justice, who pointed out certain objections that he saw in this particular clause, and I think there was quite a strong feeling in the committee that it was not wise to allow this clause to pass in its present form, although I do not think that any amendment was actually proposed in the committee.

The danger which I see in this Bill is that in our desire to abolish patronage in the Civil Service we are going too far, and we may wake up one day to find that we have put too much power and control in the hands of the Civil Service Commission. One honourable gentleman has said that he feared patronage would be exercised by the deputy minister; but the deputy minister is responsible to the minister and the minister is responsible to Parliament and to the country. On the other hand, we appoint Civil Service Commissioners for ten years, and, as I understand, the only way they can be removed is by an address of both Houses of Parliament.

I think that the amendment proposed by the leader of the Government is a very desirable one if the ministers and their deputies are to exercise proper control over their departments. I think that we are in great danger of going too far in this matter in our desire to do away with patronage. We are going to the other extreme, and if the Bill goes through, the chances are that we shall have to amend the Act at a later date.

Hon. W. B. ROSS: I agree with the leader of the Opposition. I think it is absolutely impossible for the Civil Service Commission to make promotions in any department, and at the same time absolutely ignore the head of the department.

Hon. Mr. FOWLER: They do not ignore him.

Hon. Mr. ROSS: Then, why not insert the words, "on the recommendation of the deputy head?"

Hon. Mr. FOWLER: That is a different thing altogether. There is a great distinction between the two.

Hon. Mr. ROSS: The Civil Service Commission conduct an examination. According to this, you may have promotions in a department against the wish and the interest of the man who is charged with the administration of the department.

Hon. Mr. MURPHY: We want to destroy nepotism.

Hon. Mr. ROSS: The commission would kill nepotism. The deputy might say that three men were open to promotion.

Hon. Mr. FOWLER: That is not a recommendation at all.

Hon. Mr. ROSS: He can recommend three as well as one.

Hon. Mr. FOWLER: Their fitness for promotion is shown by the efficiency reports.

Hon. Mr. ROSS: He may say they are efficient and make no recommendation; he may recommend one man, or he may recommend ten.

Hon. Mr. FOWLER: The record of a man's work is better than a recommendation of a deputy minister or any one else.

Hon. Mr. ROSS: How do you get at it? You have to find out from the head of the department.

Hon. Mr. FOWLER: A record is kept.

Hon. Mr. ROSS: You have to have a coroner's inquest on a lot of books and papers.

Hon. Mr. FOWLER: Sometimes a coroner's inquest is not an undesirable thing.

Hon. Mr. WILLOUGHBY: The report of the committee, leaving the section as it was, was approved by the House. The committee heard very full statements in reference to this matter. We had two distinguished deputy ministers before us, and I think they certainly would have liked to have reserved to them the right to make recommendations. I think they directed their remarks more particularly to the propriety of dealing with technical officials. The board, by a working arrangement, not under the Act, set up a scheme for choosing technical experts, which I think ought to work admirably. Everybody knows what that was, so I need not go into it.

I agree with my honourable friend from Sussex (Hon. Mr. Fowler) that if we are going to have this Civil Service Act, and we are committed to the principle of it, we cut at the very root of the Act if we make this amendment. If we find that the Act does not work well, we can go back to the old system of recommendations by the deputies. In any event, I think this method ought to be tried. The deputy must report to the Civil Service Commission when a vacancy occurs. The commission have an efficiency report, and an examination as well. If we are going to stick to the principle of the Act, I do not know why we should not adopt the method proposed. I am not going into the question of whether it is or is not the best method, but it is the method contemplated by the Civil Service Act, and I think we should give it a trial.

Hon. Mr. SCHAFFNER: If there is any one clause that we gave more attention to than another, I think it is this one. If the Civil Service Commission was appointed for any particular reason, I think it was because it was thought that this power should be taken out of the hands of the deputies. My experience is that a great deal of jealousy and hard feeling had been created throughout the departments because of the reasons mentioned by my honourable friend from Sussex. These men are bound to have their favourites. In the committee we came to an almost unanimous conclusion that this question should be left in the hands of the Civil Service Commission. Two deputies came before us, one of whom particularly felt that it should be within his power to select his own staff. It is not very long since a man holding a very important position resigned because he was not permitted to choose his own staff. He wanted to go further than merely to choose men for technical positions; he wanted to go all the way down to the stenographers and to be entirely free from the commission. In the Department of Justice there may be some reason why this rule should be varied; but if it is varied where are you going to draw the line between one deputy and another? I am very much in favour of the Bill being passed as it came from the committee. I believe that nothing else will satisfy the Civil Service, and, after all, that is what we are trying to do.

Hon. Sir JAMES LOUGHEED: Unless any honourable gentleman desires that we should take a vote, we will go on.

Hon. Mr. POWER: We may as well vote on it. There is just one observation that I should like to make. It has been claimed that the committee were unanimous in connection with this matter. We are not supposed to tell what took place in the committee, but one may say this. For one, I was in favour of the amendment which has been submitted by the leader of the House, and I think the honourable gentleman who acted as chairman of the committee, and who showed the greatest patience in dealing with this Bill, will agree with me when I say that the committee had been sitting for, I think, three days, holding two and sometimes three sittings a day, and that by the time we got to this recommendation with respect to the deputy ministers, which was the last amendment proposed, the members of the committee were all tired and fagged out and were not disposed to deliberate upon the matter, and the Bill went through as it was.

Hon. Mr. FOWLER: I did not say the committee was unanimous. It was almost unanimous. The honourable member from Halifax was a member of the committee, consequently it could not be unanimous.

Hon. W. B. ROSS: In order to take the sense of the House upon this question, I move that the following amendment be made:

On page 6, in line 18, insert the words "upon the recommendation of the deputy minister and" before the word "upon."

The committee divided on the amendment: yeas, 16; nays, 16.

The Hon. the CHAIRMAN: I declare the amendment lost, as it is not supported by a majority of the Committee.

Hon. Sir JAMES LOUGHEED: There is another amendment to be made which may be termed a consequential one. It seems that, in anticipation of the classification being put into force, certain appointments

and promotions were made. They have been held up until the classification should go into operation. It is therefore desirable that section 13 of the Bill should be amended by adding the following:

Provided, however, that any person who has been or is appointed or promoted to any position in the Civil Service after the first day of April, 1919, shall, on such appointment or promotion, be classified and paid in accordance with the provisions of the said classification or any amendment made thereto under the provisions of this Act.

Hon. Mr. BOSTOCK: Those persons will get the benefit of the classification from April, 1919.

Hon. Sir JAMES LOUGHEED: Yes, those who were appointed under it. I understand that the appointments were made under the classification; and statutory effect should be given to them.

Hon. Mr. BOSTOCK: Does my honourable friend know how many such appointments have been made?

Hon. Sir JAMES LOUGHEED: I could not tell my honourable friend. Mr. Gisborne tells me that all the appointments made since that date were made on the understanding that they would come under this provision.

Hon. Mr. FOWLER: Do I understand that this makes them subject to the classification if we pass this Bill?

Hon. Sir JAMES LOUGHEED: Yes.

The amendment was agreed to.

Hon. Mr. BRADBURY: I desire to move an amendment to clause 38. It is as follows:

That the following be added as subsection 2 of the new section 38 as enacted in lieu of the former section 38, by section 9 of the Bill:

(2) In the case of an examination of technical character, the Commission shall confer with the chief of the branch or division concerned and prepare jointly with him the special subject-matter of the examination; and shall likewise consult with him in making the appointment concerning his branch or division.

I believe that the chief of the branch ought to be consulted as to the preparation of the paper which is to be submitted to the candidates for a technical position. Nobody knows as well as the head of the branch what qualifications should be possessed by a candidate in order properly to fill the position. In other words, I believe that the examination should be strictly on the duties that are to be performed in the position for which application is made. I have several times heard of examination papers which a young fellow coming out of school or college would have absolutely no trouble in answering, while a very practical man, competent to fill the position, would be at a loss because the questions did not relate to the duties of office. The interest of the service is the only object we should have at heart. It should be our desire to make the service as nearly perfect as possible, and to remove the possibility of favouritism. I believe that if the departmental chief were consulted regarding the preparation of examination papers, more efficient men would be secured for the technical positions.

Hon. Mr. FOWLER: Does the amendment refer to promotions or to appointments?

Hon. Mr. BRADBURY: To either appointments or promotions. I believe that in either case the departmental chief should be consulted.

Hon. Mr. MURPHY: That is, for appointments to technical positions only?

Hon. Mr. BRADBURY: For the appointment of technical officers. To be frank, I was referring only to appointments, but perhaps it would be just as well to have it apply to promotions also.

Hon. Mr. FOWLER: No.

Hon. Mr. MURPHY: No.

Hon. Mr. BRADBURY: My amendment refers only to appointments. I can see the difficulty and perhaps the inadvisability of not having it apply to promotions. A man's record is to be kept, and if he is entitled to promotion he will no doubt receive it; but I think this amendment would be in the interest of the Civil Service.

While I am on my feet I would like to refer also to the patronage question, which was mentioned here a moment ago. Patronage has been removed from the custodians of the people's interests, the men who have been elected by democratic methods to represent the people in the different counties, and the control of appointments has been handed over to the Civil Service Commission. I believe that appointments to the service will be practically safe in the hands of the Commission, and I do not think it would be wise to have deputy ministers or chief clerks in the service make the recommendations for appointment. My honourable friend referred a moment ago to the political aspect. I

do not wish to interject politics into the question, but in reply to my friend I would say that the present deputy ministers were appointed under the Administration of Sir Wilfrid Laurier and all but one, I think, are Liberal deputies. I do not say that to their detriment, for I am not prepared to assert that these men are acting unfairly; but I do say it would be unfair at the present time to allow these men to recommend who should be promoted or who should be appointed to office. That would be simply to transfer to them the patronage that was exercised by the men who I still believe ought to exercise it; for I am not now, and never have been, in favour of what has been done in taking the patronage out of the hands of the representatives of the constituencies, elected to look after the interests of the people. In taking from the people's representatives the right to recommend Government appointments, what have you done? You have changed a democratic system into a bureaucracy, and now the men who have been elected by the people have absolutely nothing to say regarding the appointment of the humblest postmaster in a rural district. Some ridiculous things have occurred, honourable gentlemen, in regard to the appointment of some of those rural postmasters, as you can understand. Instead of a member of Parliament being relied upon to recommend a suitable man, recommendations have been obtained from sources all over the country. I know of one man who was recommended for a position in a Manitoba constituency under this bureaucratic system, and who, after he had been appointed, was found to be a ticket-of-leave man. I do not believe that this change will ever work out in the best interest of Canada; but as the Government has adopted it and the people seem to want it, I am willing to give it a fair trial, and in order to give it a fair trial we ought to make the Civil Service Commission absolutely responsible by removing any possibility of interference by the deputy heads of the departments making recommendations.

Hon. Mr. FOWLER: The honourable gentleman's amendment would seem to confine the commission to a conference with only one individual, whereas at present they are free to confer with that individual and with any others from whom they may receive advice or instruction.

Hon. Mr. BRADBURY: This would make it compulsory to confer with the chief of the branch or division concerned.

Hon. Mr. FOWLER: I would not have a strong objection to a mere conference with him; but the amendment goes further; it provides that the commission must prepare jointly with him the examination papers. I would be opposed to that; I do not see any necessity for that. It is not to be supposed that the Civil Service Commission is a walking encyclopedia of universal knowledge; therefore it would not be expected of them that they in themselves, either collectively or individually, possessed complete knowledge on every branch to which it would be necessary to appoint an officer. They are obliged to call in expert advice with regard to technical positions. They do that. It would not be fair to assume that they would do anything unreasonable, and I think that the matter should be left to them.

I want to reiterate my statement regarding the position I take on this question. I hold strong opinions, and I desire to impress upon the House that I am in earnest. In the first place, like my honourable friend from Selkirk (Hon. Mr. Bradbury), I am in favour of having the patronage of recommendations of appointment to public office in the hands of the men who are responsible to the people. I am glad to know that my honourable friend from Selkirk is of that opinion, because when that matter came before the Senate, I think the records of the Senate will bear me out in saying, I was the only person who took a stand against the present system and in favour of that. But we have adopted this principle, and I now feel it to be my duty and I think every honourable senator should feel it his duty, no matter what his private opinions may be with regard to the advantage or disadvantage of this system to try to make it as nearly perfect as possible and not to throw into the machinery any sort of monkey-wrench that would interfere with its smooth operation. Therefore we must remove from the commission every vestige of control, or what might be sinister influence, and give them a free hand in this matter.

Hon. Mr. SCHAFFNER: We would understand the situation better if my honourable friend could tell us by whom the examinations for technical positions are now set.

Hon. Mr. FOWLER: As I understand, the commission call in expert advice.

Hon. Mr. SCHAFFNER: That is the information I wanted brought before the House.

Hon. Mr. FOWLER: I spoke of that before. The Civil Service Commissioners do not profess to be fully informed in every branch of human knowledge, but they bring in technical men. They would call upon a first-class lawyer if they were going to set an examination for the appointment of a legal man. If they wanted an engineer they would consult a first-class engineer, the very best. But the amendment of my honourable friend (Hon. Mr. Bradbury) would restrict the conference to a man who was in the department and who might or might not be first-class; for there are engineers of several classes in the Government service.

Hon. Mr. BRADBURY: The head of the department ought surely to know what kind of man he wants to work under him.

Hon. Mr. FOWLER: The same is true of the lawyers also. If in the past the selection has been made by the deputy ministers, I do not know that they have always exercised such judgment in selecting their subordinates as would indicate to us that they were perfect choosers of men. I do not know that even in the legal department the men who have been selected by the deputy minister are men of such outstanding ability as to justify us in infringing the principle that we have adopted, in order to meet the views of that deputy minister. I say we had better leave the clause as it is.

Hon. Mr. MURPHY: Let well enough alone.

Hon. Mr. FOWLER: Give the Commission full power, and then if the system does not work they cannot say it failed because of the obstacles we threw in the way.

Hon. Mr. McMEANS: Better withdraw the amendment.

Hon. Mr. BRADBURY: I introduced this amendment for what I believed to be the betterment of the service. Having a little practical knowledge of technical matters, I realize that the man who is in charge of a technical branch ought to know what should be the qualifications of an applicant for a position in that branch. If he does not know he ought not to be in charge. I do know this, that there have been cases in which the departmental chief was supposed to be consulted, but was not consulted, and the consequence was that the examination was such that, as I said a moment ago, a young college graduate would have no difficulty in passing it, whereas the practical man, who is well qualified and has perhaps been performing for months the duties of the position, may be easily tripped up on some of the questions in the examination paper. I do not think that this House should want to have it made impossible for a first-class man who is properly discharging his duties to secure the position. I have in mind now a man who had been for months fulfilling the duties of a certain position and who was giving splendid service to his chief, but who, when the examination took place, failed to secure the appointment, which was given to a young man without any experience at all.

I do not wish to press this amendment, although I would have liked to see it pass. I do not desire to do anything that would in any way hinder the Civil Service Commission. I realize how difficult is the task which the Commission has had to perform, and, like my honourable friend (Hon. Mr. Fowler), I believe that we have been fortunate in securing a very competent Commission, who have rendered valuable service to the country, and we ought to support them as much as we can. At the same time I believe that if any of us can offer amendments that would improve the conditions, it is our duty to do so. However, in view of the fact that the amendment does not seem to be acceptable to the House, I withdraw it.

The amendment was withdrawn.

The Bill as amended was reported.

THIRD READING.

On motion of Hon. Sir James Lougheed, the Bill, as amended, was read the third time and passed.

FRENCH CONVENTION BILL.

FIRST READING.

A message was received from the House of Commons with Bill 43, an Act respecting a certain convention between His Majesty and the President of the French Republic dated the nineteenth day of September, 1907, and a convention supplementary thereto and the French Convention Act, 1908.

The Bill was read the first time.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: This Bill makes provision for the continuance of the commercial relations between Canada and France and the conventions that have been entered into by reason thereof. Hereafter these conventions may be terminated upon three months' notice being given.

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

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into committee on the Bill. Hon. Mr. Daniel in the Chair.

Section 1 was agreed to.

On section 2—conventions continued until terminated by three months' notice:

Hon. Mr. BOSTOCK: Can my honourable friend say whether this Convention, in connection with other conventions, was denounced owing to the Peace Treaty? I suppose we are continuing this Convention.

Hon. Sir JAMES LOUGHEED: The French Government proposes that this Convention, and the supplementary Convention, notwithstanding the denunciation, should continue in force until three months' notice is given.

Hon. Mr. BOSTOCK: Given by either side?

Hon. Sir JAMES LOUGHEED: Yes.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING.

On motion of Hon. Sir James Lougheed, the Bill was read the third time and passed.

CANADA SHIPPING (PILOTAGE) BILL.

FIRST READING.

A message was received from the House of Commons with Bill 42, an Act to amend the Canada Shipping Act (Pilotage).

The Bill was read the first time.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Sections 475 and 476 of the Canada Shipping Act provide for certain pilotage dues, which may be compulsorily enforced against ships. Under section 477 certain exemptions are made. This adds another class of ships to the exemptions.

Hon. Mr. McSWEENEY: It applies only on the Pacific? It says nothing about exemptions on the Atlantic.

Hon. Sir JAMES LOUGHEED: No, the Bill deals with the Pacific coast.

Hon. Mr. BOSTOCK: Does this mean that the ships will not have to use a pilot?

Hon. Mr. CROSBY: If they used a pilot they would have to pay.

Hon. Sir JAMES LOUGHEED: The Act does not require them to take on a pilot.

Hon. Mr. CROSBY: This is of advantage to Canadian-owned ships on the Pacific.

Hon. Mr. BOSTOCK: We have had some bad accidents on the coast of British Columbia, and the question that I raise is whether, by providing that these ships do not have to take on pilots, we are opening the door to further accidents. Every honourable gentleman knows that the navigation of the inland waters of the Pacific coast is an exceedingly difficult matter. Because of so many ships being in a congested area, and because there are so many rocks, there is more danger in this coasting trade than there is in navigation at sea. I would like to know who asked for this legislation.

Hon. Sir JAMES LOUGHEED: This simply places the ships on the Pacific coast on an equality with those on the Atlantic coast.

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

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on the Bill, Hon. Mr. Crosby 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. Sir James Lougheed, the Bill was read the third time, and passed.

The Senate adjourned until Monday next at 11 a.m.

THE SENATE.

Monday, November 10, 1919.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

BRAN AND SHORTS ADULTERATION BILL.

FIRST READING.

A message was received from the House of Commons with Bill 7, an Act to amend the Adulteration Act (respecting Bran and Shorts or Middlings.)

The Bill was read the first time.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Honourable gentlemen, this is a Bill which was introduced in the House of Commons by, I think, the member for South Oxford (Mr. Donald Sutherland), and was afterwards taken up by the Government. It proposes to prevent the adulteration of bran and shorts or middlings. It is said that in the making of bran and shorts ground weed seeds have been introduced to a very large extent, and there is nothing in the present Act to prohibit the introduction of any foreign substance. Consequently it is not only desirable but necessary in the interests of stock—and of good government likewise—that we should provide that in the case of bran and shorts or middlings it should be the product of wheat, and in the case of corn bran it should be the produce of maize or Indian corn. We propose to amend the Adulteration Act accordingly. The legislation is unquestionably good, and I therefore with confidence move the second reading of the Bill.

Hon. Mr. BOSTOCK: I do not want to oppose the principle of this measure; but I do object to it being brought down in this way, without our having any opportunity of looking at it. I cannot even find on my file a copy of the Bill as introduced in the House of Commons. I for one have absolutely no knowledge of this Bill beyond the few explanations which my honourable friend has given to the House.

Hon. Sir JAMES LOUGHEED: It is one of the earliest Bills brought down this session: it is No. 7.

Hon. Mr. BOSTOCK: It is not even on my file of Bills introduced in the House of Commons. The object of the Bill appears to be a good one. I quite admit that we do not want to have bran and shorts adulterated.

Hon. Sir JAMES LOUGHEED: Will my honourable friend pardon me? The Bill is on my House of Commons file. I will read the Bill, which contains only four lines:

> In the case of bran and shorts or middlings, if it contains anything that is not a product of wheat, or in the case of corn bran, if it contains anything that is not a product of maize or Indian corn.

Then it shall come within the Adulteration Act.

Hon. Mr. BOSTOCK: I find the Bill here. It had not been placed in the right order on my file. When I looked for it before I could not find it.

Hon. Mr. WATSON: The Bill provides:

> In the case of bran and shorts or middlings, if it contains anything that is not a product of wheat—

If that provision is carried out strictly according to the letter of the law, it will be impossible to get bran and shorts. There is, as a rule, no grain milled that does not contain something besides wheat, and whatever else it contains is ground up with the wheat. Grain is never so absolutely clean that it contains no foreign matter.

Hon. Mr. WEBSTER: I look upon this Bill as one of the most important pieces of legislation that has come before this House this session. People in Ontario who have been buying bran and shorts for the last five years have been simply humbugged by the millers of the West. Substances have been sold as bran and shorts that did not contain more than 25 per cent of bran. I brought a sample to a public analyst two weeks ago to-day. The substance had been sold as a high quality of shorts, and it had already killed six pigs in one herd to my personal knowledge. The analysis showed four distinct traces of poison. The principal ingredient in that substance was ground wild mustard seed; it contained also some chicken weed and chalk and limestone. Is that the proper way to obtain money from the farmers of this country, who are trying to improve their stock? Legislation of this kind should have been passed years ago, and I am very glad to see that a member from Ontario who has suffered very severely from these conditions has had sufficient nerve to bring in this Bill, and I want to support it.

Hon. Mr. McHUGH: The remarks of the honourable gentleman from Brockville (Hon. Mr. Webster) are quite correct so far as they relate to weed seeds or other substances that are injurious to the bran; but, as the honourable member from Portage la Prairie (Hon. Mr. Watson) says, it is impossible to get bran that is all pure wheat. The Bill as it is now worded is too stringent to be carried out. I quite agree with the honourable gentleman from Brockville that there is a great deal of fraud in the sale of bran. If it contains noxious weed seeds the quality of the bran is injured; but oats or barley or peas are not injurious. There are sometimes peas ground up in bran, and it is none the worse for that. If the Bill were amended so as to prohibit only injurious substances, I would like to see it go through.

Hon. Mr. WEBSTER: In reply to the honourable gentleman, I would point out that you do not buy oats or peas or barley at $45 a ton; you are charged $56 a ton for them. Dealers will sell you what they call bran for $45 a ton. Under this legislation there will be no sawdust nor shavings mixed with the bran we buy. For that reason I want to see the Bill pass just as it is.

Hon. Mr. McHUGH: Does not the honourable gentleman know that when wheat is passing through the mill, oats or barley or something of that kind may sometimes get mixed with it?

Hon. Mr. WEBSTER: That is all cleaned out.

Hon. Mr. McHUGH: In the grinding some of that gets into the bran. It in no way injures the quality of the bran, but rather improves it.

Hon. Mr. BOSTOCK: May I suggest that we go into committee on this Bill instead of carrying on a discussion of this kind on the second reading.

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

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into committee on the Bill. Hon. Mr. Thompson in the Chair.

On section 1—bran and shorts or middlings, when deemed to be adulterated:

Hon. Mr. WATSON: Honourable gentlemen, I am in entire sympathy with the object of this Bill, but I think a strict interpretation of the wording might interfere with its operation. A few kernels of foreign grain in the bran would be illegal according to this Bill. Like my honourable friend, I do not think that bran should be loaded up with noxious weed seeds. As the honourable gentleman from Brockville (Hon. Mr. Webster) has said, it is not only injurious to animals to feed them that class of chop and bran, but it is a fraud upon the purchaser, particularly when it costs from $40 to $45 a ton, as it does now.

Hon. Mr. WEBSTER: There is no $40 bran now; it is $46 a ton.

Hon. Mr. WATSON: That makes it all the worse. But, as the wording of the Act stands, it would be hardly possible for any person to furnish bran that would come within the requirements of the Act.

Hon. Mr. SHARPE: As my honourable friend is an old miller, I would like to ask him if all this foreign matter is not cleaned out of the wheat before it is manufactured into flour. If that is done, there should be nothing but bran left. The trouble is that the millers have been mixing seeds of all kinds with it.

Hon. Mr. WATSON: I know that—mill sweepings.

Hon. Mr. SHARPE: But they do not grind up these seeds to make flour.

Hon. Mr. WATSON: There is barley or oats.

Hon. Mr. SHARPE: That is all cleaned too.

Hon. Mr. WEBSTER: If my honourable friend will look at the dictionary he will find that bran is defined as the hull of wheat, and that is what a man wants when he buys bran. The millers will not mix with it other grains which are worth $10 or $12 a ton more. But we do not want to buy any more brown chalk, shavings, or sawdust, for bran.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING.

Hon. Sir JAMES LOUGHEED moved the third reading of the Bill.

Hon. Mr. POWER: I just wish to make this observation in connection with the Bill. I think there is a good deal of force in what has been said by the honourable gentleman from Portage la Prairie; but in addition to that it has been announced, privately if not publicly, that we are to have prorogation this afternoon. The result is that the Senate is not to have an opportunity of considering this Bill with a view to amending it. I think it is to be regretted that the Government have assumed the position which they have. There are other important measures to come before us to-day, and, on the whole, I think it would have been wiser and fairer to the Senate if the Government had decided not to have prorogation until to-morrow, so that this House would have a chance to exercise its proper constitutional functions.

Hon. Sir JAMES LOUGHEED: If my honourable friend from Halifax (Hon. Mr. Power) or my honourable friend from Portage la Prairie (Hon. Mr. Watson) has any amendment to offer, we will give all the time necessary for its consideration.

Hon. Mr. POWER: The Bill has just been laid before us. The fact that the draft of this Bill was laid before the Commons early in the session does not mean anything. The members of this House, as a whole, are not at all familiar with the Bill. Apparently the Government have not been able to frame a measure that would meet the ends of justice, and they might give us an hour to do so.

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

HOUSE OF COMMONS BILL.

FIRST READING.

Bill 9, an Act to amend the House of Commons Act.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Honourable gentlemen, this is a Bill which was brought in by a member from Montreal, Mr. Jacobs, and which was taken up by the Government. It has to do with elections to the House of Commons, and provides that a writ shall be issued within six months after the receipt by the Clerk of the Crown in Chancery of the warrant. It also deals with the case of a member who has been elected for two electoral districts. It is a very desirable Bill, and as it has been approved by the House of Commons, which is the only body interested in the subject, I move the second reading.

Hon. Mr. BOSTOCK: Honourable gentlemen, as I understand it, this Bill deals entirely with matters affecting the House of Commons, and I do not know that the Senate should have very much to say in regard to it. Of course, the same objection that I took a few moments ago to another Bill is applicable to this Bill. It is brought before us in the dying days of the session, and, as I have it before me, is in the form in which it was introduced into the House of Commons. I did not know that it was coming up this morning, and I have not had time to read it. However, as it affects only the House of Commons, I think we might let the second reading go through and consider it more closely in committee.

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

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into Committee on the Bill. Hon. Mr. Gordon in the Chair.

Hon. Sir JAMES LOUGHEED.

On new section 11a of section 1—election writ to issue within six months after warrant:

Hon. Mr. BOSTOCK: I would like to point out to the House that this clause simply fixes a date before which the writ shall be issued, but there is nothing with regard to the time when an election shall be held. I have not the Election Act before me, but I understand that although a writ could be issued within six months, the election might not be held for a year or eighteen months after that time. As I understand it, there is nothing to fix the date of the election.

Hon. Sir JAMES LOUGHEED: The writ fixes the date of the election, and my recollection is that it follows within a certain number of days.

Hon. Mr. BOSTOCK: If a writ is issued on the first of January, must the election be held before the 1st of March?

Hon. Sir JAMES LOUGHEED: I understand that there is a limitation in the Act dealing with that.

New section 11 A of section 1 was agreed to.

On new section 11b of section 1—nomination for one electoral district only:

Hon. Mr. BOSTOCK: Would the leader of the Government explain why this is necessary? The plural nomination has been very unusual in the past, and I do not know of any case where any great difficulty has resulted from it.

Hon. Sir JAMES LOUGHEED: I think it is very undesirable that a member should run for two constituencies, and after the election resign one of them, entailing a second election. It means that the public exchequer is drawn on for the expense of holding a second election.

New section 11b of section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING.

On motion of Hon. Sir James Lougheed, the Bill was read the third time and passed.

PUBLIC PRINTING AND STATIONERY BILL.

FIRST READING.

A message was received from the House of Commons with Bill 36, an Act to amend the Public Printing and Stationery Act.

The Bill was read the first time.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Honourable gentlemen will probably remember that a short time ago a commission was appointed to examine into the administration of public printing and stationery. An elaborate report was drawn up making various suggestions as to the desirability of reorganizing the Public Printing Bureau; and this Bill is to some extent the outcome of that report.

It is proposed that the Public Printing and Stationery Department shall be reorganized as provided in the Bill. The duty of purchasing supplies is now performed by no less than three officials. It is proposed that, until a Public Purchasing Commission is duly appointed, all those duties shall vest in one particular officer who shall be the Superintendent of Supplies.

Hon. Mr. BOSTOCK: I would suggest to my honourable friend that we go into committee on the Bill so that we may be better able to consider it, as it does not involve a question of principle.

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

CONSIDERED IN COMMITTEE.

On motion of Hon. Sir James Lougheed, the Senate went into committee on the Bill. Hon. Mr. Thompson in the Chair.

On section 1—additional officer authorized:

Hon. Mr. BOSTOCK: Will this Superintendent of Supplies come under the classification of the Civil Service Commission?

Hon. Sir JAMES LOUGHEED: Yes, I understand so. I understand that this Bill has been prepared by the Civil Service Commission with a view to conforming it to the Bill which we have recently passed.

Hon. Mr. BOSTOCK: Does my honourable friend know what salary he is going to receive?

Hon. Sir JAMES LOUGHEED: No, I cannot tell.

Hon. W. B. ROSS: It will be $8,000 anyway.

Section 1 was agreed to.

On section 2—section relating to purchasing materials repealed:

Hon. Mr. BOSTOCK: What is the section that is repealed?

Hon. Sir JAMES LOUGHEED (reading):

> The Superintendent of Printing shall, with the approval of the minister, purchase such material required for printing, electrotyping, stereotyping, lithographing, binding and other work of a like nature, except paper, as is necessary for the service of the Parliament and the several departments of the Government.
>
> 2. All such purchases shall be made upon requisitions duly approved by the minister or as he directs, and payment therefor shall be made after audit by the accountant.

It will be observed that in subsequent sections of the Bill it is provided that the duties shall fall upon the Superintendent of Supplies pending the appointment of a Purchasing Commission. When that Purchasing Commission is appointed all those duties will vest in that commission.

Hon. Mr. BOSTOCK: In that case this is only a temporary measure.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: And the position of Superintendent of Supplies will be abolished after the Purchasing Commission is appointed. We have had during the war a War Purchasing Commission.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: That, I suppose, is defunct now?

Hon. Sir JAMES LOUGHEED: It is still acting. A Bill to continue that commission was before Parliament last session. I do not know whether it was introduced again this session or not. The intention of the Government is to proceed with the appointment of a Purchasing Commission. I have no doubt that we shall have that Bill next session.

Hon. Mr. BOSTOCK: Can my honourable friend give the House any information as to the success of the War Purchasing Commission? Has it on the whole been a success?

Hon. Sir JAMES LOUGHEED: Yes, I should say it has been unqualifiedly successful.

Section 2 was agreed to.

On section 3—Superintendent of Stationery to have charge of custody and supply of stationery:

Hon. Mr. BOSTOCK: Can my honourable friend tell us what we are repealing there?

Hon. Sir JAMES LOUGHEED: Yes. Subsection 1 of section 22 is repealed, which reads as follows:

> The Superintendent of Stationery shall, under the direction of the minister, have charge of the purchase and supply of all printing and other

paper and of all other articles of stationery required for the use of members and employees of the two Houses of Parliament and of the several departments of the Government of Canada.

Section 3 was agreed to.

On section 4—section relating to requisitions repealed:

Hon. Mr. BOSTOCK: We have practically substituted this section 22 for section 24, as I understand. Is that correct? The new section will, I presume, take the place of section 24?

Hon. Sir JAMES LOUGHEED: No. Section 24 provides:

All purchases made by the Superintendent of Stationery as hereinbefore provided shall be so made upon requisition approved by the minister or the King's Printer, and, in the case of printing paper for parliamentary printing, the Canada Gazette and departmental reports, in accordance with contracts entered into with the like approval after tenders have been called for.

That is repealed.

Hon. Mr. BOSTOCK: What is the effect of repealing that clause?

Hon. Sir JAMES LOUGHEED: It prepares the way for new section 30A, which provides:

Until a general purchasing agency is established, the Superintendent of Supplies shall—

do so-and-so. He shall practically supersede those other officers who have had charge of purchasing.

Section 4 was agreed to.

On section 5—new section 30A—Superintendent of Supplies to purchase stationery, etc., and be responsible for outside work:

Hon. Sir JAMES LOUGHEED: This follows section 30, which reads:

The accountant shall, under direction of the minister and the King's Printer, audit all accounts for any of the services under the control of the department, keep the accounts of the department, receive and deposit all cash paid in, and render statements of accounts to the clerks of the two Houses of Parliament and the deputy heads of the several departments, as and when the same are required by this Act or by regulations made by, or instructions received from, the minister.

Then this new section defines the duties of the Superintendent of Supplies.

Hon. Mr. BOSTOCK: Would the honourable gentleman kindly read the new section?

The Hon. the CHAIRMAN (reading):

Until a general purchasing agency is established, the Superintendent of Supplies shall, under the general supervision of the King's Printer, and in accordance with regulations to be made by the minister, purchase all articles of stationery and all materials and supplies required for printing, binding, electrotyping, stereotyping, lithographing, engraving, and other work of a like nature, and shall place all orders and shall be responsible for all outside work of a like nature that may be required for the service of Parliament and of the several departments of the Government of Canada.

2. All purchases made by the Superintendent of Supplies shall be so made upon requisition approved by the minister or as he directs, and all purchases involving an amount of five hundred dollars or upwards shall be made in accordance with contracts entered into with the like approval after tenders have been called for.

3. All such purchases made on the authority of requisitions duly approved by the minister, or as he directs, shall be paid after audit by the accountant.

Hon. Mr. POWER: Does it not occur to the minister that there is a sort of conflict between the clause we are now considering and clause 3? Clause 3 says that the Superintendent of Stationery shall have charge of the custody and supply of all articles of stationery; and then it goes on to say, "not including printing materials, printing paper, and printing supplies, required for the use of members." The clause that is now under consideration says that this officer—

Hon. Sir JAMES LOUGHEED: No; the Superintendent of Supplies. There are two officers: one is Superintendent of Stationery, the other is Superintendent of Supplies.

Hon. Mr. BOSTOCK: Has the Superintendent of Supplies anything to do with the purchase of machinery and plant for the Printing Bureau?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BOSTOCK: This section is meant to cover all machinery, etc?

Hon. Sir JAMES LOUGHEED: Yes, until a general purchasing agency is established.

Section 5 was agreed to.

On section 6—Auditor General to check materials and supplies in stock:

Hon. Mr. BOSTOCK: What is subsection 2 of section 39, which is repealed?

Hon. Sir JAMES LOUGHEED: it provides that:

The Auditor General shall, annually or more frequently, at his discretion, cause the stock of stationery in store to be checked with the quantities purchased and supplied.

Section 6 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING.

On motion of Hon. Sir James Lougheed, the Bill was read the third time and passed.

CANADA TEMPERANCE ACT AMENDMENT BILL.

FIRST READING.

A message was received from the House of Commons with Bill 26, an Act to amend the Canada Temperance Act.

The Bill was read the first time.

SECOND READING.

Hon Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Honourable gentlemen, it is proposed to amend the Canada Temperance Act by enlarging the scope of its provisions. At the present time, as honourable gentlemen know, the Act applies to prescribed areas in the province. It is now proposed that upon receipt of a resolution from a legislature requesting a vote upon the prohibition of the importation of liquors, the Governor in Council may issue a proclamation, which will make provision for the nature of the prohibition and also for setting in motion the machinery by which a vote of the province may be taken. We can discuss the provisions of this Bill more closely in Committee, and any further explanation that may be necessary can be given then.

Hon. HEWITT BOSTOCK: Honourable gentlemen, I think we ought to protest very strongly against the policy of the Government in bringing down a Bill of this nature at this time in the session. We were called here at the beginning of September for the purpose of dealing with the Peace Treaty, and the session has been continued until this second week in November, and during part of that time the Senate at any rate had very little business to transact. If it was the intention of the Government to bring down such legislation to be enacted, they ought to have brought it down earlier in the session, in order that every member of this House might have an opportunity of studying it and studying thoroughly the whole situation. But at this late day, when it is understood to be the intention to prorogue, there is placed in our hands a Bill which has been considerably amended in the House of Commons since it was introduced there. I sent for a copy of the Bill this morning and was handed a reprint of the measure as proposed to be amended in Committee of the Whole in the House of Commons. The Bill, since it was introduced in the House of Commons, had been so much amended that the Commons considered it necessary to reprint the Bill with all the amendments, in order that members of the House of Commons might understand what they were dealing with. Since the reprint was issued the Bill has been further amended in the Commons. A copy of the Bill in its present form has only just been placed in my hands, and I have had no opportunity of looking at it. It comprises about five pages of very closely printed matter, and I do not see how any honourable member of this House, whether in favour of the Bill or opposed to it, can possibly consider it intelligently at this late hour in the session.

Hon. W. B. ROSS: Honourable gentlemen, I was in hopes that the honourable leader of the Opposition, before sitting down, would make a motion regarding this Bill. My first complaint with regard to it is one that has been already mentioned, and I do not need to occupy time in discussing it again: the other House has been in session for quite a long time, and I think it is unfair to us to ask us to deal with it in the dying days or the dying hours of the session.

Hon. Mr. MACDONELL: The dying minutes.

Hon. Mr. ROSS: There are questions concerning the principle of the Bill, and when we go into committee there will be questions concerning all the details, which will have to be very carefully dealt with, and I do not see how we can deal with this very important measure as we ought to do if prorogation is to take place this afternoon.

There is this further consideration. The House will be in session again certainly before the end of March, because it will be necessary to pass a Supply Bill by that time. There is Cox waiting for this Bill, and there does not seem to be any reason on earth why it could not stand over until the next session of Parliament without injuring any person in any way whatever. I can understand men who are perhaps on the whole sympathetic with this Bill, after a proper consideration and discussion of it, and being prepared to vote for it, still insisting that this House should receive moderately decent treatment from the House of Commons in connection with important legislation of this kind.

It is necessary for you to consider this question. The Canada Temperance Act was Dominion legislation. That Act was brought into force in a county or municipality upon the receipt of a petition from a certain proportion of the inhabitants of that particular county or municipality. I think it was necessary that the petition should be signed by one-third, or at least a substantial proportion of the people, before the machinery could be put in operation to take a referendum. This Bill introduces a new principle altogether. This is an enlarged or glorified Scott Act. Instead of the machinery being put into operation upon receipt of a petition from the people of the country, it is done by a vote of the provincial legislature. There are nine provincial legislatures in the country, and you are liable to have nine referendums on the question. The cost of a referendum is said to be about $1,000,000, and by this Bill you are putting in the hands of the legislatures the power to indulge in referendums the expenses of which will have to be borne by the Dominion. That is a principle that I think should be carefully considered, the principle which was at the bottom of the old Canada Temperance Act. There you started with a vote of a substantial part of the electors. Here you start with a political vote, and you do not know what may be the motive for putting the machinery into operation. Unless some very strong reason were advanced against it, I would be prepared to vote for an amendment that would require the provinces to pay the cost of the referendum. If the Legislature of Nova Scotia wants a referendum, let the Legislature of Nova Scotia pay for it. There is no reason why they should throw part of the cost of that referendum on the province of New Brunswick or the province of Quebec, or any other province that might not want it.

There is another feature of the Bill that I think is bad. Honourable gentlemen will remember that last year I opposed the Road Bill in this House. My objection was that under that Bill you gave money belonging to the Dominion of Canada to another institution. My view is that that is contrary to sound legislation, and contrary to the spirit of our constitution. I say, that to entrust to others the powers that the constitution and the people have imposed on this Parliament is shuffling and side-stepping. This Parliament should exercise the powers entrusted to it, and should not pass the buck to the provinces. I take the same objection to this Bill. Why should we import the provincial legislatures into it at all? If you want to enlarge the Canada Temperance Act, why not say that the petition must come from a substantial part of the electors to guarantee that they want the Canada Temperance Act brought into force? Under this Bill you become a tool in the hands of the provincial legislatures, who use you as they please. They come in some fine morning and vote for a referendum. They say: "The Dominion Government will pay for it, and we will keep them busy with referendums; the expense is a matter of indifference to us."

This Bill has been brought down in the last hours of the session, and, owing to the fact that there will be another session in not more than three months, I think that this House, in fairness to itself and in fairness to the country, could defer the consideration of this matter until next March or April, or some later date. I move:

That Bill 26 be not now read a second time, but that the further consideration thereof be postponed until the next session of Parliament.

That leaves it open for every man to reserve his judgment on this matter, and gives him plenty of time to consider it. At the same time, it is an intimation to the House of Commons that we expect a little better treatment than we have been getting in that House sending important Bills to this House just a few hours before prorogation.

Hon. GEORGE G. FOSTER: Honourable gentlemen, I do not rise to take issue with the leader of the Opposition when he protests against such legislation as this being introduced at this late hour of the session; nor have I any quarrel with what my honourable friend from Middleton (Hon. Mr. Ross) has said upon that point. I regret that the members of another House have not caused this Bill to be sent here before; but I do not want the Senate, nor do I want, to be placed in a false position in regard to this matter by voting for the amendment which has been proposed by the honourable senator from Middleton.

I find that there is throughout the country a misunderstanding as to just what this legislation means. Many people are under the impression that it is intended in some way to interfere with the rights of the provinces to have local option, prohibition, or partial prohibition. No matter whether this Bill passes or not, I understand that there is nothing in it that does, or that intends to, take away from the provinces the right they enjoy to-day to have prohibition or partial prohibition. I understand that this Bill

was introduced to carry out the promise of the Premier to the people of Canada that a Bill would be introduced to continue what was understood by the people as the Doherty Act.

I understand that all that is intended by this Bill is to say to the people of the different provinces: "If you want to have certain restrictions added to the prohibition existing in your province, the members of your legislature may ask the Secretary of State in Ottawa to issue an order for a vote." In other words, instead of invoking the municipal authorities, as referred to by the honourable gentleman from Middleton (Hon. Mr. Ross), the province as a whole will set the machinery in motion. I can see nothing wrong in that. I know of no better representatives of the people, better qualified to speak for the people, than the legislatures of the provinces.

It is true that it may be more or less onerous for the Dominion of Canada to be called upon to pay these expenses; but, after all, it is not a thing that is going to be done often enough, nor is the amount involved large enough, to justify us in causing the people of this country to think that the Senate has thrown back into the face of the Government a measure which is generally desired by temperance people. I think it would be a great mistake for us to adopt what has been proposed by the honourable gentleman from Middleton (Hon. W. B. Ross). I think we would be misunderstood, and, while I realize that at this late hour of the session it is difficult to give the matter detailed consideration, I think the principle is simple and sane. It has been discussed in the press, and on the streets for a long time, and we should really know what it means. I am not willing, simply because we have not received this legislation at a time that we considered fitting to the dignity of this body, I am not willing that we should throw it to one side and leave the people who desire it and who have a right to it without the legislation that they desire.

If this Bill is thrown out the people who are interested in the sale and manufacture of whisky (and who are opposed to temperance) may take temporary advantage of the fact; but honourable gentlemen should remember that they are trifling with a very dangerous matter. The people of this country, whether rightly or wrongly, believe in and want temperance legislation. They have asked for it, and if by some fluke, in the last days of the session, when many honourable members are absent, they are prevented from getting it, it is not going to make for better relations between them and the other interests.

If we are going properly to govern this country and get its affairs into the shape that they ought to be in, what we have to do is to smooth down the differences that exist and not encourage friction. Some politicians and local interests are screaming because they want their language, or their ideas, or their church views thrust upon others. No section of the people have the right to dominate everything in this country, whether they happen to be farmers, or unions, or capitalists. We had an example last week in the state of Massachusetts that we might well take to heart. We saw a man big enough and broad enough and bold enough to say: "I am not going to be cajoled or overruled by any one interest, whether the returned soldiers, the workmen, the millionaires, or any others." This may seem foreign to the matter that is before us, but it is not foreign to it.

I warn those who are interested in the opposition to this Bill that they will make a mistake if they throw it out. I warn them that the advantage which they gain will be but temporary. The temperance people will resent their action in throwing out the Bill. And on behalf of the temperance people of Canada, I earnestly appeal to the Senate to give this matter grave consideration. If there is not time to pass this Bill this morning, let us adjourn until this afternoon; and if there is not time this afternoon, let us adjourn until to-morrow. If this Senate attempts to frustrate the purpose of this Bill so surely will the Senate be criticised by people from whom we should desire good-will and approval.

Hon. PETER McSWEENEY: Honourable gentlemen, in New Brunswick in 1854 the Prohibition Bill was passed by a vote of 38 to 2. Eighteen months later the Bill was repealed by exactly the same majority because it has proved to be a total failure. In 1874 we had the Canada Temperance Act in the county of Westmorland. It was carried by the liquor-interest crowd because it was for their benefit. It has been in operation ever since. It has not lessened drunkenness, but increased it. In that county there are about twenty arrests and convictions per thousand for drunkenness. In Ottawa, where the restrictions were not any too severe up to the time of the passing of temperance legislation, there were just ten per thousand. Some years ago I was in Berlin, where there were eighteen or twenty licensed hotels, and the arrests and

convictions for drunkenness were only six per thousand. The Canada Temperance Act has been a perfect curse. Under the Prohibition Act that we have had for a year or so, Sunday has been the great night for getting drunk, and Monday has been the day when the people who got drunk have been brought before the courts. If I thought an amendment to the Canada Temperance Act would improve things I would hold up both hands for it, but I am satisfied that it will not, and I shall support the amendment of the honourable gentleman from Middleton.

Hon. J. G. TURRIFF: Honourable gentlemen, I am very much in sympathy with the remarks of the leader of the Opposition and the remarks of the honourable gentleman from Middleton as to the bringing down of important measures in the last days of the session. But ever since I have had the honour of a seat either in this House or in the other House that has been the practice under all governments, Liberal, Conservative, and Unionist, and in my judgment it will continue to be the practice for some time to come. Under these circumstances I do not think it advisable for us to listen to the argument that we should delay the passing of this Bill simply because it has been brought down to this House at a rather late date. If there is any one Bill or any one subject that has come before Parliament upon which members generally are well posted, it is that of prohibition. This question has been before all governments, Provincial and Dominion, for many years past. It has been shoved backwards and forwards; as the honourable gentleman from Middleton said, the buck has been passed by the Dominion to the provinces and by the provinces to the Dominion.

To my mind, the legislation we are considering to-day is a step in the right direction. It gives the province a right to have bone-dry prohibition if they want it. My honourable friend who has just taken his seat says that the Canada Temperance Act encourages the sale of whisky and is productive of drunkenness, and that it was passed by the liquor people. If it was passed by the liquor people we could not expect any other result. In the country generally the Canada Temperance Act has not been promoted by the liquor people. It was passed at the instance of the temperance people. They want to have something definite. They want it made possible for either the province or the Dominion to have a prohibitory Act of they so desire. I would prefer to see a Dominion Prohibitory Act, but I am not sure that, for the present at all events, the measure which the Government is now introducing is not the proper one. It will not satisfy everybody; no Act that you can pass on this subject will satisfy everybody; but it is a move in the right direction and it should be given a trial. I quite agree with my honourable friend beside me (Hon. Mr. Foster) who suggests that if we cannot finish our business to-day we ought to take this evening and to-morrow to deal with this matter. Better keep Parliament in session for another day than break the promise that the Prime Minister has made to the temperance people and disappoint a great majority of the people of Canada.

I do not intend to labour this matter further, but I want to say that in my judgment it would be a great mistake to vote for the amendment of my honourable friend from Middleton (Hon. W. B. Ross). I think we ought to pass this Bill and thus give the provinces an opportunity of doing what they think right in the matter.

Hon. C. E. TANNER: Honourable gentlemen, I do not want to allow this opportunity to pass without expressing in a few words my opinion on this subject. In the first place, I am satisfied that the views expressed by the honourable member from Middleton (Hon. W. B. Ross) do not represent public opinion in Nova Scotia. In the next place, in my view his amendment is not logical. At the present time, under the Canada Temperance Act, the Dominion of Canada pays all the expenses of referendums when called for by municipalities.

Hon. W. B. ROSS: I admit that.

Hon. Mr. TANNER: It is perfectly logical, therefore, to my mind, that the policy embodied in the law which has been on the statute book for many years should be extended and that if a province desires a referendum in accordance with the established policy of the present Act, the Dominion should pay the expense of that referendum. In any event, the honourable gentleman's ground in regard to the expense of the referendum is not a ground for defeating the principle of the Bill, but is a matter which might legitimately be considered when the Bill goes into Committee. It is not a reason for defeating the whole Bill.

I am not going to repeat what has been so well said by honourable members who have already spoken. I merely wish to say

that I am in perfect agreement with what has been stated by the honourable member from Alma (Hon. Mr. Foster) and the honourable member from Assiniboia (Hon. Mr. Turriff). Without desiring to prolong the debate, I wish further to point out this. Last year, if I understand the situation correctly, this House refused to assent to the principle of this Parliament putting Dominion-wide prohibition into operation. In other words, this House, in defiance of the vote of the House of Commons, refused to assume the duty of deciding whether there should be or should not be Dominion-wide prohibition. I am not discussing the question whether the House was right or wrong, but that was the position taken. What is the situation to-day? We are asked to leave the question to the provinces. Is this House going to take the position that it will not assent to Dominion-wide prohibition being enacted by the Canadian Parliament and will not assent to the principle of this Bill, namely, that if a province wants prohibition it may have it?

The House of Commons, representing the people, sent up legislation on this subject last year, and the Senate, an appointed body, refused to assent to that legislation. I need not point out, what has been already stated and what is well understood, that this is not a new question. A prohibition Bill comes back to us in this form. It has, I understand, received an overwhelming vote in its favour in the Chamber representing public opinion. A year ago, when we were discussing the question of daylight saving, one of the most powerful arguments used in this House by member after member was that the House of Commons was opposed to daylight saving, and therefore this House should recognize their position and not take a stand in opposition to them. If that attitude was logical then, it ought to be logical now. We know that the overwhelming opinion as voiced in the House of Commons is that this legislation should go on the statute book.

In this connection, honourable gentlemen, I want to state my view that the Senate assumes a very critical position if it undertakes, on the grounds which have been set out here, to defeat a measure of this kind which has passed the House of Commons. It cannot be said that the Senate is at all popular in the country. We regret that it does not appear to have that grip upon public opinion which we should like it to have. As has been pointed out by the honourable member from Alma (Hon. Mr. Foster), there has been unquestionably in this country, as well as in the United States, a tremendous growth of public opinion in favour of the enactment and enforcement of prohibitory legislation. Is this Senate going to set itself like flint against that public opinion, as expressed not only in the House of Commons but also in the country? If it is, I desire to say this — I regret exceedingly to have to say it, but it strikes me as a very important element in this debate: this Senate will invite a conflict, not only with the people but with the House of Commons; and any honourable member who reads the history of conflicts between elected chambers and appointed chambers must inevitably come to the conclusion that the appointed chamber is certain to go down in the conflict. That has been the history of conflicts in the old countries of Europe between elected chambers and appointed chambers, and as surely as the sun sets if this honourable Chamber undertakes year after year to defeat legislation which the people want, and which the House of Commons decides the people should have, then this House will become engaged in a conflict which will bring disaster upon itself.

The argument which has been used here, that we have not time to discuss this matter, is to my mind entirely fallacious. Any honourable gentleman who has had experience in public life, who has sat in this House or in any legislative body, whether federal or provincial, knows that, as the honourable gentleman for Assiniboia (Hon. Mr. Turriff) has stated, important legislation has always come down at the end of the session, and as long as the sun rises and sets that will continue to be the case.

Under these circumstances, honourable gentlemen, it is my intention to support this Bill, and I shall sincerely regret the action of this Chamber if it puts itself in opposition to the will of the people in this matter.

Hon. E. L. GIRROIR: In what I have to say I am not actuated by any fear that the representatives of the people and of the provinces in this Senate, if their opinions run counter to the opinions of the House of Commons or to those of any other legislative body in this country, may be swept away, as has been suggested by the honourable gentleman who has preceded me. I think that the prohibition senti-

ment in this country is so strong, whether it is ill-advised or wisely directed, that it is impossible to resist it. I do think, however, that in voting for legislation on this very important question we should be careful about its exact wording and about its effects upon the rights of the provinces, whose rights we are here to protect. It was for this reason that last year I voted against the measure of prohibition which was before this House. I felt that it was an interference with provincial rights, and that, as I was here a representative of one of the provinces, it was my duty to stand for provincial rights. Therefore I felt justified in voting against that legislation.

This session a measure is introduced which leaves the matter entirely in the hands of the provinces. I would have been prepared to go further than this legislation goes, and provide that if a resolution asking for prohibition were adopted by a provincial legislature, it should be granted them. Perhaps it is better that the question should go to the people and that they should have a voice in deciding it.

Personally I believe that the prohibitionists are going too far. I believe that if some liberty were allowed to the workingman to obtain light beers and wines of a reasonable strength, it would have been far better and wiser in the interest of prohibition itself. Mr. Gompers, the great labour leader in the United States, for whose opinion I have the very highest respect, argues very strongly that the extreme measures of prohibition that are being enacted are having a very bad effect upon the labouring people in the United States; that men who work in factories and other places where they are under great mental and physical strain require some stimulant, and that the extreme prohibitionists who are preventing this will at some future day have to pay for their extreme views on this question.

But in the meantime it is quite evident that the overwhelming majority of the people, I may say on this continent, are in favour of this prohibition. The members of this Senate are justified in deciding these questions solely upon their merits. What the prohibitionists may think, or what the liquor people may think, should not weigh with us at all. We are to consider the best interests of the country at large, and if we think that public opinion in this country is behind this measure, and that it is in the best interests of the country, then it is our duty to pass the measure as it stands. I quite agree that the Bill has been brought down at a very late date in the session. I quite agree that it is undesirable to bring in Bills of such importance at this late hour, when so little time can be given for their discussion. But, as has been said, the question of prohibition has been before the country and before both Houses of Parliament for a long time now. The press has informed us as to the different measures that were to be presented to us for consideration, and, viewing the importance of the question and the desirability of having a proper test made of this legislation within a reasonable time and within as reasonable limits as possible, I think it is best for us to pass the measure as it stands. I wish to make this explanation in view of the fact that last year, when prohibition came before the Senate, I voted against it. I voted against it because I felt that it was an interference with provincial rights, which it was my duty to protect. This measure does not so interfere with provincial rights, and therefore I deem it to be my duty to support it.

Hon. GEORGE GORDON: Honourable gentlemen, I also have much sympathy with the views expressed by the honourable member for Middleton (Hon. W. B. Ross); but, representing the province of Ontario and noting the overwhelming feeling of the people of that province in favour of prohibition, if I am to give my support to that overwhelming majority there is only one thing for me to do. Only recently we have had a referendum in the province of Ontario, and, while I do not know what was the majority in favour of prohibition, I know that it was very large, and I think it would be extremely unwise for a member of this Chamber to oppose the will of the people. I shall vote in favour of this Bill. At the same time I feel that we are being imposed on, inasmuch as we have not had this measure before us until this morning, and have had little opportunity to know what it really contained. However, even with that handicap I feel that it is my duty to do what I can to give effect to the wishes of the majority of the people in the province of Ontario.

I travel about considerably, and notwithstanding what my views, or the views of others opposed to prohibition, may be, we must come to the conclusion that, by hook or by crook, the majority of the people in the province of Ontario are determined to have prohibition, and if we do anything to prevent them from attaining that end it seems to me it will not be to our advan-

it is the duty of the Senate to reflect in a large degree the sentiments of the people of the Dominion. Our independent position increases our responsibility because we can do just what we ought to do. There is no doubt that the opinions expressed in the Senate in reference to this legislation reflect public opinion. My honourable friend from Middleton (Hon. Mr. Ross) did not think it necessary for us to pass the legislation of last year because the Orders in Council existed for one year after the declaration of peace. He thought matters should be left as they were. The other day the remark was made that there were two ways of killing a cat, which reminds me of how easy it is for a legal man to suggest means of killing legislation. Now the honourable gentleman suggests that we should allow this legislation to stand over until next session. I say let us repeal this legislation next session if we find that it has not the support of the public; I think that is the attitude that we should take. It may be late in the session, but this is not a new question. The progress of all reforms is slow, but demands have been made and will continue to be made in regard to this matter. The platform of one of the new parties calls for the abolition of the Senate. Without giving any special regard to the attitude of the farmers of Canada on that subject I support this legislation. I am not a fanatical temperance man, but I believe that this legislation will be for the common good. The people of the country believe that it is for the common good; and as the people of the country have expressed their views, I am in favour of this legislation.

Hon. R. H. C. PRINGLE: Honourable gentlemen, the Bill that is before us at this session has in it all the elements that the Bill of last session had with reference to the British North America Act and the question of its constitutionality. In this particular legislation there is also involved the question of the abandonment to the provinces of the sovereign powers of the Dominion. I do not wish to enter into the merits of this question at the moment. The whole Bill bristles with constitutional points, and we have, perhaps, an hour to deal with it. I am going to read something that may interest some honourable gentlemen. It is from the editorial columns of the Pioneer of October 24, the leading prohibition journal in the province from which I come, and voices, I presume, the opinion of the prohibitionists of Ontario. It is headed "Inadequate." After reciting the provisions of this Bill, it goes on to say:

> This method of dealing with the liquor traffic is entirely unsatisfactory and cannot be accepted by the prohibitionists of the Dominion of Canada. It is open to two main grave objections.
>
> First, it is distinctly an evasion by the Dominion Government of definite responsibility regarding legislation upon this important issue. The duty of a province to legislate is to coterminous only with its contitutional powers. The duty of the Dominion Parliament also extends to the limit of its constitutional power.
>
> At every stage of progress in the temperance reform efforts have been made by the members of the legislative body approached to unload responsibilities on others.

Then it shows how that has been done, and further on it says:

> Now the Dominion Parliament is seeking to sidestep its duty and throw the onus on the provinces. Such a course is not creditable; it is too shifty; it is not statesmanship.
>
> Second, the Bill is inadequate and complicated. It does not deal at all with the exportation of liquor. To permit the manufacture of beverage intoxicants in Canada for exportation is wrong. Now, we are permitting not only the exportation but the manufacture.

Hon. Mr. TANNER: Would my honourable friend be prepared to give them the kind of statesmanship they want?

Hon. Mr. PRINGLE: I would give them anything that is constitutional.

Hon. Mr. TANNER: Would my honourable friend give them a Dominion-wide Act?

Hon. W. B. ROSS: I would.

Hon. Mr. PRINGLE: Come along with it. That is what is asked for here:

> It would stand to the disgrace of Canada if we prohibited the traffic in intoxicants ourselves, but allowed the manufacture and shipment to China, South America, Africa, and other countries, to debauch and degrade the citizens of other lands.
>
> It prohibits only the manufacture and importation in and into such provinces as, by an absurdly roundabout process, follow certain procedure and vote upon the question, and allows freely the manufacture and importation into all other parts of Canada.
>
> To call this a solution of the temperance question would be a joke if that question were not so serious.

I do not want to tire the House by reading the rest of the editorial, but in the light of what I have read, and in the light of constitutional questions, no motion could be better than that of my honourable friend from Middleton (Hon. Mr. Ross).

Hon. JOHN WEBSTER: I agree with the viewpoint of the honourable member for Assiniboia (Hon. Mr. Turriff), who said that maybe this was not all that the

tage. So far as I am personally concerned, I concur in the opinion expressed by another honourable member, that neither fear, favour nor affection, nor the possibility of the abolition of this Senate, nor any consideration of that nature, should ever interfere with the way in which I give my vote at any time. But I am particularly anxious to have carried out the will of the great majority of the people.

Hon. P. C. MURPHY: Honourable gentlemen, just a word in explanation of the position I am going to take to-day. I feel, like the honourable gentleman who has just spoken, that measures of such importance as this should not be foisted upon the Senate in the dying hours of the session. Last session, when a similar Bill was under consideration, I voted against the decision of the House of Commons. The present Bill is of an altogether different character. The reason why I voted as I did last year was that I believed that the Federal Parliament had no right to impose its will upon an autonomous or semi-autonomous province. This year the situation is different. The proposed measure gives the province the right of self-determination, such as is laid down by the Peace Treaty, and I feel that it would be wrong to reject it. For the reasons which I have stated I will vote this year in the affirmative.

There was another reason why I voted in the negative at last session. The Bill of last session would have caused all the distilleries and breweries to be scrapped. This year, by an amendment introduced in the House of Commons, the vested rights of those who have money invested in such establishments are protected, and the breweries and distilleries are allowed to continue manufacturing for shipment outside of Canada or to any province in Canada in which beer, light wines or other liquors are allowed to be handled.

Coming as I do from the original prohibition province, I feel that the sentiment is overwhelmingly in favour of prohibition. We must deprecate as I do deprecate, the extreme position taken by prohibitionists. I believe that, especially for the labouring man, beer should be allowed. In the old days the workingmen who took their lunch to their work could get a bottle of cool beer, which helped them to eat their midday meal in the hot days of summer. Now this is all done away with. The working man has now to eat his bread dry or with water, something that I think is very wrong. However, as this Bill is evidently in harmony with the sentiment of a very large proportion of the people of this country, I will cast my vote in its favour.

Hon. Mr. McSWEENEY: Are the people of Prince Edward Island in favour of it?

Hon. Mr. MURPHY: Yes, nine-tenths of them.

Hon. ROBERT WATSON: As the honourable gentleman has just said, the legislation of this year is changed from that of last year, but I do not think it is changed in the right direction to suit the people of Canada. I think they would like to stop the flow at the fountain head. Some honourable gentlemen objected to the legislation of last year because under it distilleries were going to be scrapped. The people of the country, if I understand their sentiments, want the distilleries scrapped, because they realize that it is almost impossible to stop the sale of liquor until the manufacture of it is stopped. In that respect our legislation is retrograding, for it does not carry out the wishes of the people.

The temperance people throughout the world have been attempting to bring about world-wide prohibition. By this legislation we are going to permit the distillers to make liquor to be shipped to other countries. World-wide prohibition is not going to be secured by such legislation.

As I understand the Bill, it provides that when the question is submitted to a province a majority carries prohibition. I do not think that is going far enough. I think that any law which is to be enforced by fines and penalties should contain some provision empowering a provincial legislature to say what majority it would require in order to pass such legislation.

I supported the legislation of last year and will support that of this year.

Hon. F. P. THOMPSON: Honourable gentlemen, I had almost supposed that my honourable friend was opposed to this legislation, because it did not suit the people throughout the country. I think it is proper that the Senate should remember what the sentiment of the people throughout the Dominion is and should pass whatever legislation may promote better conditions. The expense in connection with the administration of the Scott Act was paid by the Dominion. We have the Scott Act in the county of York, and I do not hesitate to say that conditions in Fredericton have been improved to a marked degree since we have done away with the bar-rooms. Every time the question has come before the citizens they have supported the Scott Act. I think

would proceed to the Senate Chamber at 4.30 p.m. this day for the purpose of proroguing the present session of Parliament.

The Senate adjourned until 2 p.m.

Second Sitting.

The Senate met at 2 p.m., the Speaker in the Chair.

Routine proceedings.

APPROPRIATION BILL NO. 5.

FIRST READING.

A message was received from the House of Commons with Bill 44, an Act for granting to His Majesty certain sums of money for the Public Service of the financial year ending March 31, 1920.

The Bill was read the first time.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Honourable gentlemen, the total amount of the Supply Bill is $62,916,000. Honourable members, in perusing the contents, will observe that the major portion, almost the entire sum, is made up of two items which are the outcome of the policy of the Government regarding the demobilization of our forces. One item is $20,000,000, which will be advanced on behalf of the Soldiers' Land Settlement scheme. The other is $40,000,000 for the purpose of carrying out the recommendations contained in the report on the soldiers' civil re-establishment. These two items absorb $60,000,000 of the $62,000,000, leaving $2,916,000 to be applied to the different items contained in the Bill.

One of the other items refers to expenses incurred in connection with the Civil Service Commission, which were provided for in a Bill considered in this House and duly passed.

There is an item of $2,000,000, an appropriation which is to be applied to payment for necessary supplies, food, clothing, fuel, and fodder for animals in the provinces of Alberta and Saskatchewan, and the necessity for which grows out of the shortage of the crop during the past year.

Hon. HEWITT BOSTOCK: Honourable gentlemen, this Bill provides for the voting of a considerable amount of money at this session of Parliament. If this were the only session held this year the matter might not be so serious; but as this is an extra session, the voting of $62,960,039 in addition to what was voted last session, involves the raising of a large sum of money by loan or by taxation and increases the burdens on the people of this country. Of course, as my honourable friend has pointed out, the greater part of this amount is for the purpose of dealing with soldiers' civil re-establishment, as recommended in the report of the House of Commons Committee which has been sitting for a long time and has considered a number of the questions which have been exercising the minds of the public, and conditions which the soldiers generally have felt to constitute an unfair hardship to them. I hope that the report of the committee will result in satisfaction being given to these men, and will allay the unrest in the country which has been brought about to some extent by the feeling that a large number of the men who fought so well for us at the front and did such good for their country have not received at the hands of the Government the treatment to which they consider themselves entitled. I trust that the vote that is now being granted may help to a considerable extent in removing that dissatisfaction.

There is, further, an amount of $20,000,000 to provide for "advances to soldiers settling upon the land, and cost of administering the Soldier Settlement Acts of 1917 and 1919, including clerical assistance." I forget what amount we voted at the end of last session, but the two amounts together will, I think, make a considerable total advanced for this purpose. The question has arisen in my mind whether this money has been handled to the greatest advantage for the men, whom presumably it is intended the money should benefit. Several complaints have been brought to my attention at different times regarding the way the soldiers have been treated in their attempt to locate on the land. In a large number of cases it has been felt that the machinery provided for the distribution of this money or for making a grant in a particulur case has permitted of a great deal of delay, and in certain parts of the province from which I come the feeling has arisen among returned soldiers that the machinery is to cumbersome, and that there is too much red-tape in connection with this matter. The result of that has been that in certain cases the applicants have been delayed in getting onto the land and getting settled in a way that everybody it had been hoped and intended by that they should. I do not know that this is a place where we can very

temperance people required. But the temperance people are reasonable, and they look upon this as a step in the right direction. That is why I approve of this legislation. The voice of the people at large, both in Canada and The United States, to-day stands for prohibition. I regret that there is nothing that we can say in favour of whisky. I have travelled for the last forty years, and have seen many sad cases caused by whisky; but I have yet to see the first case of sadness caused by prohibition.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. WEBSTER: The people of Ontario a few weeks ago pronounced their opinion, by an overwhelming majority, in favour of temperance legislation. I am one of those who believe in democracy—that the voice of the people should be heard. The people have asked for this legislation. Let us show our willingness to give it. One honourable gentleman a few moments ago expressed regret that the workingman could not procure his ale or beer to take with his dinner. Let me say that for half the money that the liquor costs he can purchase a pint of milk.

Hon. Mr. WATSON: Buttermilk.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. WEBSTER: One does not have to go far to see how wine and beer licenses work out. Just across the river in Hull they tried out the wine and beer license, and with what result? The mayor says that on the 15th of November the municipality will go bone-dry. That is the kind of man who ought to be mayor. He has the people behind him, and he will be mayor again. Let us show our willingness to submit to the people; let us give them this Bill as it has been brought into the House.

Hon. L. G. POWER: Honourable gentlemen, it is not my intention to enter into the merits of this case, but I wish to make an observation or two on the line taken by certain honourable gentlemen in this House. Those honourable gentlemen, somewhat to my surprise, took the ground that the Senate should bow to the popular will, and told us that the action of the Senate last session would perhaps be found to be the first step towards the abolition of this House. I agree with the honourable gentleman from Middleton who said that we should do our duty courageously and firmly without regard to the consequences, and I think that is what the Senate is here for. We are not here to be guided by what takes place in the Commons, or by what we may think is the popular feeling of the moment. One of the objects of having a second Chamber is that temporary popular feeling may not lead the country into error.

Speaking of the action of the Senate last session, an honourable gentleman suggested the danger of a conflict with the Commons. Does any honourable gentleman here really and sincerely believe that the action of the Senate last year, or the action proposed by the amendment now before the House, is going to lead to a conflict with the Commons? It is not, for honourable gentlemen know, or feel satisfied, that the members of the Commons last year really rejoiced at the action of the Senate.

Some Hon. SENATORS: Hear, hear.

Some Hon. SENATORS: No. no.

Hon. Mr. POWER: The members of the Commons held that the burden of responsibility had been taken off their shoulders, and, as a rule, were glad that the thing had been done. A timid policy is always a mistaken policy, in politics as in war; and while one honourable gentleman referred to the large majority in favour of prohibition shown by the recent referendum in the province of Ontario, I direct attention to the fact that while there was a very marked majority, there was a very large and considerable minority.

Hon. W. D. ROSS: It was not one-sided.

Hon. Mr. POWER: At any rate, there was a very considerable minority, and I believe that if it had not been for the woman vote the result of the referendum might have been different. Do not misunderstand me, honourable gentlemen: I am not finding any fault with the woman vote; but we have to consider that.

As I said, I do not propose to go into the merits of this Bill. I quite concur in what has been said by the honourable gentleman from Middleton, and I also agree with the view of the constitutional question taken by the honourable gentleman from Cobourg (Hon. Mr. Pringle).

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

PROROGATION OF PARLIAMENT.

The Hon. the SPEAKER read a communication from the Governor General's Secretary announcing that His Excellency

profitably discuss this matter; but I wanted to draw the attention of the minister to it, because I think we all desire that the men who want to go on the land should be placed on the land they select as quickly as possible.

There is another item here of $2,000,000 for Dominion lands and parks. This is similar to items that we have had to vote at different times for the purpose of relieving the situation in the West, where the farmers have been suffering from unfavourable weather conditions. I do not know whether my honourable friend is in a position to tell us to what extent the money voted in the past has been paid back into the treasury of the Government, or whether this $2,000,000, and I presume the further amount of $450,000, which appears on the last page of the Estimates, will eventually come back to the Government. This is a considerable amount to pay out, and I presume the Government will endeavour to provide that in future years, when things are progressing more favourably, the men who get assistance in this way shall, as far as they are able, pay back the money into the treasury.

There is a further item of $25,000, for the purpose of defraying the expenses of the Canadian delegates and advisers to the International Labour Conference at Washington. I understood the Minister of Labour the other day to say that so far this Conference has not been able to do very much business because it was awaiting the arrival of delegates from Europe. I have not seen any statement as to what has been done; but from the fact that this item appears in the Estimates I presume that the Government considers that this Conference, if not now proceeding, will proceed within a very short time, and that some definite conclusions will be arrived at. The questions to be dealt with there are of great importance, not only to Canada, but to the whole world. One important question that the Conference has to deal with relates to the hours of labour in different countries. I have been wondering whether the delegates who went to Washington from this country have had an opportunity of discussing this question among themselves. I have also wondered what position the delegates from Canada will occupy in regard to other questions that will arise. Have the delegates representing the business class, the labouring class, and the farming class, decided what line of action they will take? If not, I do not think there is very much hope of the various representatives coming to any very definite conclusion, because they will be approaching the subjects from different points of view, and, on account of speaking so many different languages will have difficulty in grasping each other's point of view. If my honourable friend can give us any information regarding this Conference I think it would be of great value to the House.

The other items in this Estimate are of an ordinary nature, and are more or less connected with expenses that have been incurred by the calling together of the present session.

I would again refer to the fact that in incurring these expenses, and in voting these large sums of money, we are putting additional burdens upon the people. A member of the Government in another place the other day made the statement, if I understood him correctly, that we would require a very large sum, I think some $700,000,000, for the purpose of carrying on the business of the country. When one considers that our population is not very much more than 8,000,000, that is an enormous amount. At the present time the Government is trying to raise $300,000,000 by way of a loan in this country. We of course hope they will be successful; but if the statement made by a minister in another place is accurate, the Government will very soon have to go to the country for another loan, unless they intend to raise the additional amount by way of taxation. The ex-Minister of Finance, before the committee of the other House dealing with the question of the soldiers' civil re-establishment, said that the Government could hardly hope to increase taxation to any great extent, and that if they did so they would be placing upon the shoulders of the people a burden which might be heavier than they could bear.

I do not wish to take up the time of the House further than to express the hope that the Government will restrict expenditure in every possible way, so that we may look forward to a more economical and more careful administration of the finances of the country in the future.

Hon. J. G. TURRIFF: Honourable gentlemen, I notice an item of $276,000 for the reorganization of the Printing Bureau. I understand from the press that this amount is largely for the purpose of giving retiring allowances to employees who are being dispensed with. I would suggest that the Government see that none of those who have been drawing salaries for the last five to twenty years, and who for years at

a time have not been on duty, should not be among those to receive this allowance.

With reference to the item of $2,000,000 in connection with seed grain advances, I would ask whether the time has not come when matters of that kind should be left to the local governments. They are matters which can be handled by them much better than by the Dominion Government. The Dominion Government sends a man out to take charge; he knows nothing about the business and has to obtain whatever information he can. From my personal knowledge I can say that in years gone by a great deal of seed grain was advanced to men who had no right to it, and the officers could not very well help themselves.

There is an item of $20,000,000 for soldiers' land settlement. I am of the same opinion that I expressed last year, that that is a foolish expenditure. Last session, if I remember correctly, we voted $25,000,000; and this session we are voting $20,000,000 more. I would suggest to the Government that they go very carefully in connection with that particular item of expenditure.

In reference to the item of $40,000,000, I am pleased to be able to congratulate the Government upon the decision which they have come to with regard to the re-establishment of the soldier. I was glad to see that the Government had the courage not to be carried off their feet by the hotheads who wanted a gratuity of $2,000 for every man, thus adding to the burden of the people of Canada. The action taken now is the better action. The previous action in giving a general gratuity, which has cost the country $153,000,000, was wrong. If a gratuity had been given then such as is proposed now, to help those who needed it, you would have had better results. Thousands of men who got the gratuity have not done a day's work since they got it, although there has been work for every one, and they could have got work, but they would not take it. Now the gratuity ends, and we shall have to deal with them. I take second place to no man in my desire to do the right thing for those who were wounded and those who have suffered, and for the relatives of those who have been killed; but to give a general gratuity would have been folly, and any party that advanced such a proposal would have been left behind, because the good sense of the people will recognize that the Government has done plenty, and more than plenty, for these men. The returned soldiers were causing an expenditure of almost double the total debt of Canada before the war in gratuities and assistance; and yet we hear some of them claiming that they have not been fairly treated. I say they are being fairly treated, and more than fairly treated, and I am glad that the Government have come to the decision that they have come to, and that the expenditure in gratuities to returned soldiers has probably ended.

Hon. GEO. H. BRADBURY: I desire to say a word or two with regard to the Estimate of $25,000 for coal operations. I should like to draw the attention of the House for just a moment to a report made by a gentleman sent out by the Interior Department to investigate coal lands in the West. In speaking of the Hoppe leases, he says:

> There is ample evidence of an abundance of coal, not one or two seams but many of them, all of workable thickness and no doubt of a high grade. Regarding the quality of the coal, I will advise you later when the results of the analyses are known.
>
> This coal area is perhaps the most extensive unexploited deposits in Canada to-day. In the meantime the country does not require this coal.

I should like to draw the attention of the House to the phrasing of this clause.

> In the meantime the country does not require this coal. Any shortage in the past has been due entirely to labour troubles. Drumheller coal is mined within 100 miles of the city of Calgary. There is abundance of it, yet the price in Calgary to-day is $8.75 per ton. This is due entirely to labour troubles and not because of any lack of that commodity.
>
> The capacity of the Alberta mines, if they were operated steadily the whole year round, is approximately 15,000,000 tons annually. Yet last year, the greatest in point of production, only 6,000,000 were mined.
>
> I believe, therefore, that the coal of the Smoky River district is not required just now, and that the mines now in operation in this province are amply able to take care of the market.
>
> If the Government is to continue and extend operation of a National system of railways, it will require coal reserves of its own. Even if it does not operate its railroads, I believe it would be in the interests of conservation to set aside this block for future use. When the time arrives that this coal is required for domestic and industrial purposes,—and it will not be required for many years—the Government, if it so desired, would then be able to dispose of it at a handsome figure. In the meantime, I believe it would be a wise and proper measure to make a coal reservation—

In spite of the fact that this gentleman, who has just come from the West, makes this report, stating that this coal is not necessary, but that the coal of the Drumheller and other mines can supply all that is needed, I find one of the western members, Mr. E. E. Myers, of Kindersley, referring to this item, and inquiring if the director is at work now, and stating that many people are suffering for lack of coal, and

that schools and public buildings are being closed.

On previous occasions I have drawn attention to the fact that there has been considerable suffering throughout the western provinces; and yet the officer sent out by the Department of the Interior says that there is plenty of coal in the West, and that these Hoppe leases should not be operated. He makes that statement in face of this other fact, that last year we imported into the province of Manitoba $3,000,000 worth of hard coal, and more than that value of soft coal, for the use of the people. There was over $6,000,000 worth of coal imported into Manitoba, and the coal imported from the head of the Lakes west amounted to $18,000,000 worth. All these mines that he speaks of have been in operation for years and have failed to supply the people of the West.

I wish to emphasize what I have said here before, that in the interest of the people of those three Western Provinces the Government ought to build the sixty or seventy miles of railway, in connection with the National railway system, into what is known as the Hoppe leases, and to develop those mines and put this coal on the market. We have not only high-grade bituminous coal, but also high-grade anthracite, 100,000,000 tons of it, and the people of the West are to-day suffering a fuel famine. In view of these facts I say that if the gentleman who made this report had been an employee of the great mine operators in the West, or had been speaking in their behalf, to prevent competition, he could not have made a better report for the purpose than he has laid before the Government. I therefore ask that the Government investigate this matter further, and if the coal is needed, as I am sure it is, that these coal mines be opened up at an early date in order that the people of the West may obtain an abundance of cheap fuel.

Hon. L. G. POWER: Honourable gentlemen, as I understand, this Supply Bill is now at its second reading. I am not in the habit of discussing Supply Bills at this stage of the session, but there are a few observations which I feel it is my duty to make at the present time.

I am not going to deal with the various minor items in the Bill, but I cannot allow the vote of $20,000,000 for soldiers' civil re-establishment and the other vote of $40,000,000 to carry out the recommendations of the committee of the other House, to pass without some observations. That $60,000,000, honourable gentlemen, is an immense sum. If any government previous to 1914 had undertaken to bring down a proposal to spend $60,000,000, it would have caused a very great excitement and would have led to long discussion. There is this thing to be borne in mind, that Canada has already spent an enormous sum on behalf of the soldiers who represented the country overseas. The Canadian soldiers made a record overseas of which the country has every reason to be proud, but, unfortunately, a number of the men who did go over and, I suppose, distinguished themselves, have been since their return to this country apparently doing their utmost to take away the gloss and the glory of their achievements on the battlefield. If we had thought, when our men were distinguishing themselves at Vimy Ridge or Paschendœle or any of those other fights in which the Canadians came so conspicuously to the front, that these men who went over the top in such a courageous way would on their return to this country be asking for millions and millions of dollars to compensate them, we should not have had the same feeling towards our representatives that we did have. As I say, honourable gentlemen, I regret very much that these men, or some of them, are apparently doing their best to throw discredit on the force as a whole.

In the United States, instead of a gratuity of six months' pay, about $600, each of the returned soldiers gets only $65, and we have not heard of any outcry over there, nor of any country-wide agitation in favour of the payment of enormous sums; and the United States is a much wealthier country and much better able to contribute largely towards the supposed wellbeing of the returned soldier than Canada is. I think that Canada undoubtedly has dealt more liberally with her soldiers than has any other country in the world. The record shows that.

Now, where is this thing going to stop? We have already, as I say, dealt more liberally with our soldiers than any other country in the world, and why should we keep on spending—why should we spend $60,000,000 still further to help them? I think that as a rule, as was stated by the honourable gentleman from Assiniboia (Hon. Mr. Turriff) to-day, there is employment for all the men who are willing to work, and it does seem to me that these returned soldiers should return to work instead of turning to the Treasury and insist-

ing on getting preposterous sums of money from the country. If the money were lying about the streets and the Government had nothing to do but pick it up, I could understand it; but these enormous sums have to be squeezed out of the working people of this country—and practically all our people are working people—and I think we should have some little consideration for them and not bestow all our consideration on the returned soldiers.

There is one item to which I desire to refer. It does not appear here as a separate item, but from the report of the proceedings in another place it appears that a considerable sum of money is to be practically contributed to the Imperial Treasury; it is to be paid to the men who enlisted in the Imperial Army. Why should Canada pay for those men?

Hon. Mr. SHARPE: Men enlisted in Canada.

Hon. Mr. POWER: Is it not the duty of the British Government to do whatever is deemed necessary for them? Why should Canada, with her small population and comparatively small income, be called upon to contribute to the support of the Imperial forces? I think Canada has done remarkably well in raising over 400,000 men, paying their way across the ocean, and paying for their services at the front; and I think this further payment is highly objectionable We should be a little businesslike, and I must say I do not think that in dealing with the returned soldiers the Government or Parliament has shown very much business capacity.

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

THIRD READING.

On motion of Hon. Sir James Lougheed, the Bill was read the third time and passed.

CANADA TEMPERANCE ACT AMENDMENT BILL.

CONTINUATION OF DEBATE ON MOTION FOR SECOND READING AND PROPOSED AMENDMENT THERETO.

The Senate resumed from the morning sitting this day the debate on Hon. Sir James Lougheed's motion for the second reading of Bill 26, an Act to amend the Canada Temperance Act; and the proposed amendment of Hon. W. B. Ross.

Hon. Sir JAMES LOUGHEED: I should like to say a word or two upon the amendment of my honourable friend from Middleton (Hon. W. B. Ross) before it is submitted to the Chamber for determination. More than a generation ago the principle on which this Bill is founded was introduced and incorporated into a law which was placed upon the statute-book and is known as the Canada Temperance Act. Hence it cannot be said that the Government in introducing this Bill has submitted a new principle requiring the further consideration of the Parliament of Canada. The Canada Temperance Act has been amended from time to time. It has been in force, I think, in every province of the Dominion; and, while opinions may vary as to whether it has been successful or not, it has been retained upon the statute-book and is to-day the chief temperance legislation in this Dominion. A generation ago the desire for prohibition had not become as articulate as it is to-day. There has been a wonderful growth in the sentiment respecting prohibition. In the course of time progressive legislation has been passed by the Dominion Parliament and the legislatures of the various provinces along the lines followed in the Bill. At the time the Canada Temperence Act was passed it was not thought desirable to foist that legislation upon an entire province, but to apply it to counties, or groups of counties, or to the areas specified in the Act. As time went on and sentiment in favour of prohibition increased, we saw the propriety or wisdom of applying this legislation to larger districts or areas. Consequently to-day the different provinces of Canada have manifested a desire that, instead of the Canada Temperance Act applying to limited areas, as it does under the present law, it should be extended to the wider area of a province. So this legislation is not of a radical character, but is such as I think every intelligent man must necessarily approve. Instead of this law being in operation in counties or areas scattered throughout the Dominion, it is proposed to place upon the statute-book a measure which will provide that each province shall have the right to determine whether this legislation shall be enforced within its boundaries or not. That is all that is intended by this Bill. It contains nothing more radical than the provisions contained in the existing law.

Furthermore, honourable gentlemen, I would ask, is it possible for this Parliament, or any other, to stem the tidal wave which is sweeping over not only this Dominion but the entire world? It is not necessary for us to discuss here the question whether prohibition is necessary or not, or successful or not. There is the fact which cannot be overlooked, and which confronts

every intelligent man, that the whole civilized world is thinking deeply upon this question of prohibition and is taking the most drastic measures regarding it. Very few of the civilized nations have not legislated on this question in a way which a decade of years ago would have been regarded as very radical indeed. Every province in Canada has pronounced upon the question. We have practically total prohibition in every province in Canada except Quebec, and there the little latitude which is given, we may safely say, is not inconsistent with a wholesome prohibition sentiment. That no Parliament in Canada could withstand the desire for legislation upon this subject is shown by the fact that every province has placed upon its statute-book a law for the purpose of giving effect to public sentiment. Parliament cannot withstand the public will in matters of this kind. The various members of the Parliament of Canada or of any legislature in the Dominion may not in their individual capacity be in favour of this class of legislation, but it is their duty to represent public sentiment, to give effect to the popular will, and I see no other way of giving effect to it than by enacting the legislation which we have introduced to-day.

It has been said by some honourable gentlemen that this legislation does not go far enough. Others have contended that it goes too far. The difficulty of course is to adopt a happy medium; but one can scarcely question the principle of this Parliament consulting the wishes of each province of the Dominion, and throwing upon the province the responsibility of deciding what is the will of the people within its boundaries. That expression of the public will having been given, and having been communicated by the province to the Dominion Government, this Government sets in motion the machinery provided by the measure which we are to-day placing on the statute-book. Or, to state the case perhaps better, we are simply enlarging the boundaries which for a generation or more had been fixed by the law of this country. It is too late for honourable gentlemen to discuss the wisdom or unwisdom of prohibition. It has come to stay, and no power can resist the tidal wave which has swept over not only the whole of Canada, but the whole continent and the whole civilized world. The Government recognizing this to be the case, sees no alternative, but must introduce the legislation which is now before us, to provide for enlarging the boundaries of the Canada Temperance Act, so that each province may declare whether or not it is desirable and in accordance with the public will, to give effect to the legislation which is already on the statute book and is supplemented by the present Bill.

Hon. W. B. ROSS: Honourable gentlemen, several honourable members of the House who have spoken on this question seem to misunderstand the nature of my motion. The honourable gentleman from Pictou (Hon. Mr. Tanner) seems to think that I am challenging a vote on the principle of this Bill. I am doing nothing of the kind. My purpose is that the question of the merits of the Bill should stand over until next session.

Hon. Sir JAMES LOUGHEED: Will my honourable friend pardon me? My attention has been directed to an explanation which I omitted to make to the House, and which I should like to make now. Possibly my honourable friend may give some recognition to it. It is that it is not proposed by this legislation to repeal or in any way interfere with the Canada Temperance Act as we find it on the statute book to-day. There will be an alternative. The Canada Temperance Act may be put into force within the limited areas already provided by the law; or, if the province chooses, and so expresses itself by resolution of its legislative assembly, it can put the same legislation in force throughout the entire province. Thus the present Canada Temperance Act is not repealed nor in any way restricted.

Hon. Mr. BOSTOCK: Unfortunately I have not had time to look this matter up. Does the Canada Temperance Act as it stands to-day deal with the question of manufacture?

Hon. Sir JAMES LOUGHEED: As I read the Canada Temperance Act, one could not manufacture within an area for the purpose of violating the law in that area. He could manufacture for export outside of that area.

Hon. Mr. ROSS: He could make rum for the heathen.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. ROSS: Honourable gentlemen, any member of this House can vote for my motion without expressing himself on the merits or demerits of the Bill. It is merely a question of whether we have been treated fairly or unfairly, and whether

we have had an opportunity to go into this Bill and discuss it and judge it as we ought to judge such an important measure.

The honourable member from Pictou (Hon. Mr. Tanner), ever since he came into this House, seems to have been haunted with the fear that some day he might give an independent judgment on something and forthwith be abolished. If this House is to degenerate into a rubber stamp, for fear of being abolished, the sooner it is wiped off the face of God's earth, as being of less use than any dunghill, the better it will be for the country. I have functions to discharge here, and I am going to discharge them, despite any threats from outside this House, no matter from what source they come. It is perfectly useless to tell me that this House will be abolished if this Bill is postponed until next session.

The honourable gentleman from Alma (Hon. Mr. Foster) observed that the whole temperance sentiment of this country was behind the Bill, as if that settled the question. Even if that is so, there are other people in the country, and they have a right to be heard. In Ontario, although prohibition carried, there was a very heavy vote against it. As a matter of fact, the opinions of the temperance people themselves are not unanimous in regard to this Bill.

I have documentary evidence of that lack of unanimity, and it is for the purpose of reading that evidence more than for anything else that I have risen. This letter, which is from the Rev. Benjamin Spence, also throws light upon Bill 27, which is coming up. After I read it, I think that honourable gentlemen who have spoken against the postponement of the Bill will have very good grounds for changing their minds and agreeing that it should stand until next session. Mr. Spence's letter is written to Mr. Porter, a member of the House of Commons, and says:

Toronto, November 8, 1919.

E. G. Porter, M.P.,
Parliament Buildings,
Ottawa, Ont.

Dear Sir:

Permit me to respectfully call your attention to some features of the proposed temperance legislation as embodied in Bill 26 now before Parliament, which are of very grave importance to us in the province of Ontario and indeed, in every province where a provincial prohibitory law is in operation, also to the tremendous importance and significance of the present Dominion situation.

Were a license condition existent in the provinces and were the last part of the second paragraph of subsection 4 of section 154 eliminated, then the Bill would be commendable as substituting a form of prohibition for license. We face the fact however that in eight of the nine provinces of Canada laws are now in force prohibiting the liquor traffic practically to the full extent of provincial power. Any Dominion legislation therefore, must be considered in the light of these provincial laws and with a clear understanding of the exact effect of such legislation upon these laws and their administration.

It is generally accepted that, where there is concurrent jurisdiction of the Dominion and province and over-lapping legislation, as in regard to the prohibition of the sale of liquor, Dominion legislation takes precedence and supersedes the provincial law. A case in point is the present Canada Temperance Act. Where that Act is now in force in Ontario, the Ontario Temperance Act is not operative.

The Dominion Parliament has exclusive jurisdiction regarding the manufacture, importation and inter-Provincial shipment of liquor. So far, therefore, as Dominion legislation deals wholly with manufacture and importation it does not infringe upon Provincial law. Regarding the sale of liquor there is admittedly concurrent jurisdiction of the Dominion and province. The moment, however, that the Dominion deals with the sale of liquor there is conflict.

Paragraph (b) of sub-section 2 of section 154 of Bill 26 does deal with the sale of liquor. The constitutional question is at once raised as to how this overlaps and therefore supersedes the Ontario Temperance Act. A comparison of this section with section 40 of the Ontario Temperance Act shows a marked similarity in purport and its enactment would at once open the way to serious complications, inasmuch as there does not seem to be any other or further safeguarding clause in this Bill.

With Bill 26 in force, could a person be prosecuted under the Ontario Temperance Act for the illicit sale of liquor? It would appear not. And if this section of the Ontario Temperance Act is superseded or set aside, what about other sections of the Ontario Temperance Act that are closely related to section 40? Many sections that now are important and helpful because they are complementary to section 40 would become nugatory.

Then other questions arise in connection with the exemptions provided for by sub-section 4 of section 154. This subsection distinctly allows the importation, manufacture, sending, taking, delivering, carriage, transportation, sale or agreeing to sell liquor for sacramental, medicinal, manufacturing or commercial purposes. Compare this with subsection 3 of section 41 of the Ontario Temperance Act. They cover the same ground.

The Ontario Temperance Act further contains exceedingly stringent and complete provisions by which liquor may be obtained for the purposes provided in sub-section 3 of section 41. If the main section is set aside, are not the subsidiary sections also practically nullified? If so, where are we at in regard to the sale of liquor for permitted purposes as provided for under the Ontario Temperance Act, for Bill 26 does not in any detail make provisions as to quantity, persons, places, etc.?

Does this conflict of jurisdiction extend further and include section 155, which makes the provisions, of part II of the Canada Temperance Act regarding offences and prosecutions applicable to proceedings under part III?

These provisions cover the same ground as do similar provisions of the Ontario Temperance Act, and therefore no doubt take precedence over the enforcement sections of that Act. Are we not re-opening at once the whole old difficulty of enforcement which existed in the Scott Act days in the province of Ontario, and inviting similar chaotic conditions?

Indeed, is there not grave danger of vexations and prolonged litigation involving these and other constitutional questions that will prevent the effective administration of the law so essential to good results from measures of this kind?

The Ontario Temperance Act, indeed the Provincial law in each province contains enforcement provisions, provides penalties and enforcement machinery particularly adapted to local conditions in the province to which they apply. If these are set aside and the provincial authorities are called upon to enforce an inferior and less suitable Dominion law which practically repeals their own legislation, will there be the same enthusiasm and earnestness in enforcement or as good results as would obtain were the provincial authorities working with their own laws, and using their own enforcement machinery?

Frankly, the Bill as it now stands does not seem to at all meet the need of the situation and even if passed by the Dominion Parliament is not such that any province would be likely to put it into force.

While the door would be shut closer in regard to the importation of liquor for beverage purposes, which will be a serious evil if war-time prohibition lapses, in other regards it would be thrown wider open. That together with the legal doubts that are involved would mean that we would probably lose on the one hand as much as we would gain on the other. The intention of the Bill is undoubtedly good, but the provisions seem to be faulty and impracticable.

This Bill could be very easily amended by simply making provision that would prohibit the shipment of liquor from any province into another province to any person not entitled by the laws of that province to sell the same.

The effect of this in Ontario would be that the only legal consignee of shipments of liquor would be the chief Government vendor of the province who would then have sole control of the distribution of liquor for permitted purposes within the province. The prohibitive, restrictive and enforcement provisions of the Ontario Temperance Act would then remain intact, and the work of administering the law greatly aided. Such an amendment would apply in an equally helpful way in every other province.

If this were done and provincial Governments were given direct power to bring the provisions of the Act into force in such a way as they might determine, then two main objections to the Bill would disappear.

Bill No. 26 as it now stands really is not adequate or satisfactory at the present juncture. It is not in harmony with the united and expressed desires of the temperance people of Canada. The cumbersome and tedious methods required for bringing its provisions into force might allow an interim for practically unhindered inter-provincial shipment of liquor. Even if, and when, brought into operation, it would be of doubtful value and might lead to prolonged legal wrangles upon constitutional issues to the detriment of effective enforcement.

Canada has led the world in progressive temperance legislation. Others are recognizing this and following our example. Let us not now back-track. The Government and Parliament of Canada met the war emergency in a splendid way and have merited and commanded the confidence and respect, not only of Canadians, but of all allied well-wishers everywhere.

There are then two or three short paragraphs dealing with the merits of temperance; then the letter goes on to say:

Permit me to express the very earnest hope that even in the closing hours of the session Parliament will deal with this great question in a strong, meaningful way.

That letter is from the Rev. Benjamin Spence, and honourable gentlemen all know what position he occupies. In the light of that letter, are we in a position today to deal intelligently with this Bill?

I have another letter from the so-called Liberty League, which is composed of people who seem to have no rights, who are trying to say a word for themselves as best they may. That letter is as follows:

Citizens' Liberty League

Organized to oppose all Legislation, Dominion or Provincial, which tends to curtail the Liberties of the Citizen.

(Central Branch)
22 College Street,
Toronto, November 8, 1919.

To the Honourable The Senate,
Parliament Buildings,
Ottawa, Ontario.

The Citizens' Liberty League, representing members totalling in the Province of Ontario eighty thousand, with whom are affiliated large number of citizens all over the province who have not yet become members of the League, ask leave to present to you their petition to protest against Bills 26 and 27 now before the House of Commons, and which in due course will no doubt be before you for consideration, which legislation is being introduced for the purpose of preventing the manufacture and importation of liquor in any province where the majority of the electorate of that province on a plebiscite vote in favour of such prohibitory measures.

The Citizens' Liberty League was formed about five months ago, and the entire attention of the League has been taken up with the Referendum vote held on the 20th of October in the province of Ontario, and they had not before that date been able to devote the necessary time to the legislation above referred to, and which is before the House of Commons, or their protest against such legislation would have long since been lodged at Ottawa. Just so soon as the voting in Ontario was completed, the League succeeded in obtaining a conference with the Acting Premier, Sir George Foster, and on Friday, the 24th of October, the League asked the Acting Premier and the Honourable N. W. Rowell, President of the Privy Council, and the Hon. C. J. Doherty, the Minister of Justice, to appoint a committee of the House of Commons to hear the objections and arguments of the Citizens' Liberty League against the contemplated legislation. On Tuesday, the 28th of October, the League were notified in the following words by the Acting Premier:—

"As intimated to you on Friday, it does not seem possible to arrange for a Committee of the House to hear a delegation from the Citizens' Liberty League, among other reasons owing to the near approach of the end of the Session."

The League desire to point out that through the appointment of a Committee of the House of Commons they would have been afforded an opportunity of presenting their views, arguments and objecions to this legislation, and it was their intention, had such a committee been appointed, to have a large delegation of business and professional men from different parts of this province attend to express to the committee their views with regard to such legislation, and we now petition you to at least refer these Bills back so that a Committee of the House of Commons may be appointed to give an opportunity to the League and its members of voicing their objections to this legislation which may interfere greatly with the personal rights of a large portion of Ontario's citizens.

In addition to the above, we desire to be permitted to point out that the rights of even a minority, especially where these rights are personal, should not by any Parliament be interfered with, unless the reason therefor is grave and important; and further, in the opinion of the League, the British North America Act does not contemplate such legislation, but empowers the Federal Parliament to pass legislation which shall be applicable not solely to one part of the Dominion, nor to a particular class, but shall be of general application throughout the entire Dominion. It will be contended that the legislation particularly asked in these Bills is in direct contravention of Section 121 of the British North America Act in that it purports to prevent the produce and manufacture of one or more provinces from being exported to another province and thereby interferes with interprovincial trade.

Then again it is urged that such legislation amounts to the delegating to a provincial electorate by the Federal Parliament of the legislative duties cast upon the Federal Parliament by the British North America Act, as same is initiated by a resolution from a provincial legislature bringing the Act within the decision lately made in the Privy Council regarding the Initiate and Referendum Act of Manitoba, and it is contended that the contemplated legislation is beyond the authority of the Federal Parliament.

For this and other reasons we humbly petition that in the interest of justice and for the protection of the personal rights and liberties of the citizens of this country you refuse your ratification of these Bills.

And your petitioners will ever pray.

On behalf of the Citizens' Liberty League,

H. A. Machin, President.

T. L. Carruthers, General Secretary.

That is the whole case so far as I am concerned. According to the temperance people, the Bill is important; but it is clearly not satisfactory. Therefore I feel that I ought to insist upon my motion that the Bill stand over until next session.

The amendment of Hon. W. B. Ross was negatived on the following division:

Hon Mr. ROSS.

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Hon. Mr. FARRELL: Honourable gentlemen, I did not vote. I was paired with the honourable gentleman from Lethbridge (Hon. Mr. De Veber). Had I voted, I would have voted against the amendment.

Hon. Mr. DENNIS: Honourable gentlemen, I did not vote. I was paired with the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton). Had I voted, I would have voted against the amendment.

Hon. Mr. BRADBURY: I did not vote. I was paired with the honourable gentleman from New Westminster (Hon. Mr. Taylor). Had I voted, I would have voted against the amendment.

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. Sir James Lougheed, the Senate went into Committee on the Bill. Hon. Mr. Girroir in the Chair.

On section 1, new section 152—upon receipt of resolution of Legislative Assembly or of Yukon Council requesting vote on prohibition of importation of liquors, the Governor in Council may issue proclamation:

Hon. Sir JAMES LOUGHEED: Will the committee permit me to bring Mr. Gisborne within the bar?

Hon. Mr. BOSTOCK: Can the honourable leader of the Government tell us on what basis the Government decided to adopt the proposal to put this Bill into effect on receipt of a resolution of the legislative assembly of any province? Would it not have been better, if they really wanted to put this legislation into effect, to have taken a proposal made by the executive council,

which is sitting all the year round? The members are always in office. If you have to wait for a resolution of the legislative assembly, you must wait until the assembly meets, and in that way it might take a much longer time before the resolution could be passed and the Act put into operation.

Hon. Sir JAMES LOUGHEED: This is more expressive than a resolution of the executive of the province. That is the only thing I can say.

Hon. Mr. WATSON: Would it not be well to extend the time for taking the ballot? Paragraph b says the time shall be from 9 o'clock in the forenoon until 5 o'clock in the afternoon. It seems to me you ought to make some provision in this Bill whereby everybody will have an opportunity to vote. For instance, in urban districts, when a vote is being taken, it is perhaps inconvenient for men to get off from their work to record their vote during working hours. The principle of extending to 9 o'clock at night the time for receiving votes in urban districts has been adopted in the case of provincial elections. I think that is worth considering.

Hon. Sir JAMES LOUGHEED: The hours provided in this Bill are practically those adopted by municipalities, and, I think, under the Election Act of each province. It would be undesirable, it seems to me, to depart from the well-established hours.

Hon. Mr. WATSON: In cities and urban districts the polls are open, I think, until 9 o'clock.

Hon. Sir JAMES LOUGHEED: If it is found hereafter that the time for polling is inconvenient, it will be an easy matter to amend the law in a detail of this kind. It would be very undesirable to amend it at the present moment. I do not know that the Commons will be in session when we pass this Bill.

New section 152 was agreed to.

New section 152 A was agreed to.

On new section 153—proceedings thereafter to be same as are prescribed for bringing Part II of Canada Temperance Act into force. Returns to be made to Governor in Council, who shall declare prohibition in force if more than one-half of total vote is in favour:

Hon. MR. WATSON: Honourable gentlemen, I wish to repeat here the suggestion I have already made, that in a matter of this kind there ought to be a majority of more than one-half of the total vote in favour of the measure. Any law of this description that is to be enforced by fines and penalties ought to have behind it, it seems to me, a very strong public sentiment; otherwise there is a disrespect for the law—not only for this law, but also for others. I suppose it is of no use to suggest an amendment; we expect the Governor to arrive in a few minutes; but I do submit that a law of this kind should be approved by more than 50 per cent of the voters.

New section 153 was agreed to.

New sections 154 and 155 were agreed to.

On new section 156—revocation of prohibition:

Hon. Mr. BOSTOCK: As I understand this Bill, if prohibition is adopted in a province it will remain in force for three years, and after that an appeal may be made to the Secretary of State to have another vote taken in order to see whether the people are still in favour of it or not. Is that the intention?

Hon. Sir JAMES LOUGHEED: There must be a poll to repeal it. The repeal is brought about by practically the same machinery as that for the adoption of prohibition.

Hon. Mr. BOSTOCK: And if prohibition is to be repealed must there be a further resolution of the legislative assembly?

Hon. Sir JAMES LOUGHEED: Yes; it is done on the initiative of the legislative assembly.

New section 156 was agreed to.

Section 2 of the Bill was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING.

On motion of Hon. Sir James Lougheed, the Bill was read the third time and passed.

INTOXICATING LIQUORS BILL.

FIRST READING.

A message was received from the House of Commons with Bill 27, an Act to amend an Act in aid of Provincial Legislation Prohibiting or Restricting the Sale or Use of Intoxicating Liquors.

The Bill was read the first time.

SECOND READING.

Hon. Sir JAMES LOUGHEED moved the second reading of the Bill.

He said: Honourable gentlemen, in 1916 Parliament passed certain legislation supplementing the powers of the provinces, having for its objects the prohibiting or restricting of the sale of intoxicating liquors. In 1917 we amended the legislation of 1916. Experience is a very satisfactory teacher in matters of this kind. It has been found that the legislation of 1916 and 1917 did not go far enough. Each province has had opportunity to give effect to the legislation we then enacted, and it has now been represented to the Government that it is necessary to go farther than we did on those two occasions. It is therefore proposed to extend the law so as to prevent the manufacture of liquor that would be used in violation of the provincial law. The Bill before us, which practically supplements the authority that a province can exercise, includes a manufacturing clause. Another clause, namely, section 2, provides that if any designing person ships liquor into a province for the purpose of violating the law of that province, such person may be prosecuted. Honourable gentlemen will doubtless recall that when similar legislation was before the Senate in 1916, the Senate disapproved of the clause which was then imported into the Bill, because of the absence of safeguards in the matter of prosecutions. The former Bill provided that the offender might be brought into the province into which the liquor was imported. It is now proposed that no prosecution shall be brought against a person outside of a province in which he is, except with the approval of the attorney general of the province in which the prosecution is to take place. I think the necessity for securing the consent of the attorney general is a sufficient safeguard. If it is sought to prosecute any one shipping liquor into the province interested, the attorney general of that province may insist upon a prima facie case being made out. It is thought that with this safeguard added there can be no objection to the provision which the Senate formerly rejected.

Hon. Mr. BOSTOCK: Honourable gentlemen, I do not know whether it is of any use my repeating the remarks that I have already made to-day with regard to legislation being brought down in this way, right at the end of the session, when we have no time at all to examine it. We have just had a vote from which it appears that the members of this House do not support me in that contention, and I do not suppose there is any use in saying anything further on the subject; but I do personally very strongly object to the Government bringing down legislation within a few hours, even a few minutes, of prorogation, and asking us to pass it.

As my honourable friend (Hon. Sir James Lougheed) has said, one of these clauses at any rate was previously before this Chamber, and we objected very strongly to the Government placing on the statute book such a clause, which would permit of a man being brought all the way from Nova Scotia right out to British Columbia, even up to the Yukon, to be put on trial there. Then, having been acquitted, he could be left there to find his way back home as he was best able.

The leader of the Government has said that there is a change in this Act to the effect that application has to be made to the Attorney General of the province; but to my mind it is not clear as to where the application has to be made to bring a man say from Nova Scotia to British Columbia. Probably we can get more information on that point when we are in Committee of the Whole. I think it is objectionable to bring a man across the continent and put him to the expense of a prosecution of this kind. I am as much opposed to this clause as I was on a previous occasion, when I voted against it.

Hon. W. B. ROSS: This Bill looks very innocent on its face. Really it is not. It is very far-reaching, and involves an entirely new principle. Any member of the House who will look at chapter 19 of 1916 will see that that legislation was meant to protect the provincial legislation, or to supplement it if you like. The position taken by the two Houses of Parliament at that time was that they would allow the provinces to legislate within their own boundaries, as their powers were defined and settled by the Privy Council; but Parliament said: "If any one outside the province, over whom you have no jurisdiction to legislate, proceeds to violate your law or to assist other people in violating your law, we will come to your assistance." The two things, the provincial legislation plus what is commonly known as the Doherty Act, covered the temperance situation, and worked pretty well. The Dominion let the provinces work out their own salvation.

This Bill lets the Dominion into the provinces. Chapter 19 of 1916 deals with a person selling, and so on, "knowing or intending that such intoxicating liquor will or shall be thereafter dealt with in viola-

tion of the law of the province into which such intoxicating liquor is sent shipped," and so on. That legislation is confined altogether to what is done outside the province. This Bill says:

> Any person who manufactures any intoxicating liquor knowing or intending that such intoxicating liquor will or shall be thereafter dealt with in violation of the law of the province in which such intoxicating liquor is manufactured.

All prior legislation was directed against the man manufacturing liquor outside a province, knowing or intending that it was to go into the province. Now the Dominion steps in and overrides the provincial legislatures. The provinces have jurisdiction to deal with that question themselves; but the Dominion steps in and interferes with the provincial legislatures—the very thing that Mr. Spence points out. That seems a very small thing, but next year it will be something else; and piece by piece the provincial legislature will be altogether destroyed.

This legislation is altogether at variance with the well-stated opinion of Parliament when it came to a conclusion with regard to the so-called Doherty Act. When the provinces had jurisdiction we let them handle matters themselves; where they were handicapped by lack of jurisdiction we gave them the Doherty Act to help them out. I think the House should adhere to the position that we took in 1916, and not agree to this section.

Section 2 of this Bill is an old friend. This House in 1916 refused to entertain such a proposition. Under this section a man in the city of Ottawa may be accused by a man in the Klondyke of having sold a bottle of whisky to him in the city of Ottawa, knowing that he was going to take it to the Klondyke. The man making the accusation may be a man of character or a man of no character. A warrant can be issued in the Klondyke, and the man from Ottawa, whether he is guilty or not, can be taken out there. A stipendiary magistrate has to decide who is to be believed. You can see how the man from Ottawa is handicapped. He is the person charged, and he cannot have what every British citizen has been entitled to since Magna Charta, the right to be tried by his peers. How can he take witnesses as to his good character away up there, unless he is a very rich man? It is entirely out of the question for him to do so. There is no one to whom the stipendiary magistrate can appeal as to the man's character. What would be the result? The trial would be a farce. Even if the accused were found not guilty, what would become of him? The temperance people tell you that they do not care what becomes of him—that he can foot it home.

Hon. Mr. DENNIS: What about the protection that he gets from the Attorney General?

Hon Mr. ROSS: I have not yet come to that phase of the question. The position to-day is this: if a charge of selling liquor is made by a man in the Klondyke against a man in Ottawa, the Minister of Justice can put the accused on trial here, and, if the evidence warrants it, can have him convicted. That was regarded by this House as being satisfactory. But now the matter comes back again in another form.

In temperance, as in some other things, the more zealous people become, the more intolerant and tyrannical they are. The temperance people want to have a man hauled from one end of the Dominion to the other in order to be tried. Why are they not content with having him tried where he lives, and where he has committed the offence? Why turn the criminal law upside down? It is not done in any other case, except perhaps in the case of treason when the country is in danger. They want a law under which a man can be taken from Toronto to Nova Scotia, not by leave of the Attorney General of Ontario, where this provision might be some protection to him, but by leave of the Attorney General of Nova Scotia. As a matter of fact, these temperance zealots can make charges and get the consent of the Attorney General as a matter of course. What interest has the Attorney General, or how is he going to withstand a deputation, headed perhaps by some parsons and some women who are half hysterical on the question? There is the man a thousand miles away. They say: "He sold a bottle of whisky intending that it should be drunk down here. Get him down here: that is the way we will smash these things." It is an attempt to establish a tyranny and autocracy that I venture to say was never practised in Russia in the time of the Czar—it may have been in the time of Trotsky and Lenine. I say deliberately that it is the most damnable, dirty legislation that it was ever sought to put on our statute books. It is impossible to resist the temptation to use language that is entirely unparliamentary. I move that this Bill be not now read a second time, but that it be read a second time this day six months hence.

The amendment of Hon. W. B. Ross was negatived on the following division:

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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. Sir James Lougheed, the Senate went into committee on the Bill. Hon. Mr. Thompson in the Chair.

On section 1—manufacturing intoxicants, knowing, etc., that they are to be unlawfully used forbidden:

Hon. Mr. BOSTOCK: I have not had an opportunity to compare this Bill with the Act to which my honourable friend from Middleton (Hon. W. B. Ross) referred. I think the honourable leader of the Government should give us information as to this change and what it means.

Hon. Sir JAMES LOUGHEED: I do not know that I can explain to my honourable friend more clearly than by the language used in the clause itself. It makes illegal the manufacture of any intoxicating liquor by any person "knowing or intending that such intoxicating liquor will or shall be thereafter dealt with in violation of the law of the province in which such intoxicating liquor is manufactured."

Hon. Mr. BOSTOCK: But my difficulty is that I cannot get a copy of the statutes to compare this amendment with the law of 1916, which is referred to in it.

Hon. Sir JAMES LOUGHEED: The amendment is a substantive clause added to the existing legislation. It simply prohibits the manufacture of liquor in a province to be used illegally in that province. It does not exclude the manufacture of liquor for purposes outside that province; that is to say, for shipment to where the liquor can be legally used or consumed.

Hon. Mr. BOSTOCK: The Act of 1916, as it stands, will allow the manufacture of liquor in a province?

Hon. Sir JAMES LOUGHEED: The Act of 1916 does not deal with the manufacture of liquor.

Hon. Mr. BOSTOCK: Does not deal with it at all?

Hon. Sir JAMES LOUGHEED: No, simply with importation and sale.

Section 1 was agreed to.

On section 2—prosecution may be where intoxicants were unlawfully sent, etc., or where accused resides, but no prosecution against a person outside of province in which he is except with approval of Attorney General of province:

Hon. W. B. ROSS: Honourable gentlemen, I wish to move that the words "such province" at the end of that section be struck out and that these words be inserted: "the province in which the accused resides."

Hon. Mr. CLORAN: Hear, hear. That is plain—as plain as A, B, C.

The amendment of Hon. W. B. Ross was negatived: yeas, 13; nays, 13.

Section 2 was agreed to.

On section 3—forfeiture of liquor, etc., seized under Act and not claimed, etc.:

Hon. Sir JAMES LOUGHEED: This is the same clause that we inserted in former Bills.

Section 3 was agreed to.

Hon. Sir JAMES LOUGHEED: I move that this section, known as the sacramental clause, be added at the end of the Bill:

> The said Act is amended by adding thereto the following section:
>
> Nothing in this Act shall be deemed to forbid the selling or causing to be sold, or the manufacture or the sending, shipping, taking, bringing or carrying, or the causing to be sent, shipped, taken, brought or carried, into any province from or out of any other province, or the importation into any province from any place outside of Canada, of any intoxicating liquor for sacramental or medicinal purposes or for manufacturing or for commercial purposes other than for the manufacture or use thereof as a beverage.

Hon. Mr. BELCOURT: Is there a similar provision in the old Act?

Hon. Sir JAMES LOUGHEED: No, but there is in Bill 26.

Hon. Mr. BOSTOCK: In exactly the same terms?

Hon. Sir JAMES LOUGHEED: Yes.

The preamble and the title were agreed to.

The Bill as amended was reported.

THIRD READING.

On motion of Hon. Sir James Lougheed, the Bill was read the third time and passed.

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT.

At 4.30 o'clock p.m., His Excellency the Governor General having come and being seated on the Throne:

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

Who being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by His Excellency the Governor General:

An Act to amend the Canada Grain Act.
An Act to amend the Militia Act.
An Act to amend the Criminal Code.
An Act to continue in force the powers of the Board of Grain Supervisors of Canada so that it may conclude its business, and to continue in force a Guarantee given by the Governor in Council with respect to the 1918 wheat crop.
An Act to amend the Royal Northwest Mounted Police Act.
An Act to amend An Act to confirm two Orders of the Governor General in Council respecting the Grand Trunk Pacific Railway System.
An Act respecting the North Empire Fire Insurance Company.
An Act for carrying into effect the Treaty of Peace between His Majesty and certain other Powers.
An Act to amend the Interpretation Act.
An Act to amend the Dominion Lands Act.
An Act respecting the Canadian Wheat Board.
An Act to permit the temporary importation, manufacture and sale of oleomargarine in Canada.
An Act to amend the Meat and Canned Foods Act.
An Act for the relief of Millie Wattlaufer.
An Act for the relief of Arthur Leroy Eastcott.
An Act to amend the Exchequer Court Act.
An Act for the relief of John Robert Stephenson Carson.
An Act for the relief of Frank Thimm.
An Act to amend the Immigration Act.
An Act to amend the Department of Soldiers' Civil Re-establishment Act.
An Act to amend the Civil Service Act 1918, with respect to the salaries of certain Postmasters and Assistant Postmasters.
An Act to amend the Civil Service Act, 1918.
An Act respecting the acquisition by His Majesty of the Grand Trunk Railway System.
An Act to amend the Canada Temperance Act.
An Act to amend the Opium and Drug Act.
An Act respecting Patents of Invention.
An Act to amend the Canada Shipping Act (Pilotage).
An Act respecting a certain convention between His Majesty and the President of the French Republic dated the nineteenth day of September, 1907, and a convention supplementary thereto and the French Convention Act, 1908.
An Act to amend the Adulteration Act (respecting Bran and Shorts or Middlings).
An Act to amend the House of Commons Act.
An Act to amend An Act in aid of Provincial Legislation prohibiting or restricting the sale or use of Intoxicating Liquors.
An Act to amend the Public Printing and Stationery Act.

To these Bills the Royal Assent was pronounced by the Clerk of the Senate in the following words:

In His Majesty's name, His Excellency the Governor General doth assent to these Bills.

Then the Honourable the Speaker of the House of Commons addressed His Excellency the Governor General as follows:

May it please Your Excellency:

The Commons of Canada have voted the Supplies required to enable the Government to defray the expenses of the Public Service.

In the name of the Commons, I present to Your Excellency 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, 1920.

To which Bill I humbly request Your Excellency's assent.

To this Bill the Clerk of the Senate, by His Excellency's command, did thereupon say:

In His Majesty's name, His Excellency the Governor General thanks His Loyal Subjects, accepts their benevolence, and assents to this Bill.

After which His Excellency the Governor General was pleased to close the Third Session of the Thirteenth Parliament of the Dominion of Canada with the following Speech:

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

In relieving you from further attendance on this session, I thank you for the diligence and efficiency with which you have discharged your duties.

Measures of great significance and importance have engaged your attention.

The Treaty of Peace concluded by the Allied and Associated Powers with Germany and signed at Versailles on the 28th June, 1919, and the Treaty of Peace between the same Powers and the Republic of Austria, signed at St. Germain-en-Laye on the 10th September, 1919,

have been presented to you and have received your approval.

These Treaties having now been approved by Germany and Austria, on the one hand, and by at least three of the Allied and Associated Powers on the other hand, await only the exchange of ratifications to enter into full force and effect.

I fervently trust that the provisions of these Treaties, marking as they do the termination of hostilities, may usher in for humanity an era in which great wars may be prevented and the blessings of world peace effectually secured.

Canada bore a large part in the operations of the war and contributed notably to its successful completion, and it is therefore gratifying to be able to note the distinguished position accorded to her in the conduct of the negotiations in the Peace Conference at Paris.

The visit of His Royal Highness the Prince of Wales to Canada has been a source of deep and widespread satisfaction. The universal welcome which has been extended to him is an evidence of the devotion of the Canadian people to the Throne and to British institutions. This welcome, so whole-hearted in character, is an undoubted tribute to the high personal character and qualities of His Royal Highness, who, in peace as in war, has closely identified himself with Canada, and shown his earnest desire to promote the welfare of the people of this Dominion.

The acquisition of the Grand Trunk properties and their addition to the existing national railways will materially promote the successful and economic administration of the whole system, and greatly aid in the solution of the important problems of Canadian transport.

The adoption of the report of the Committee of the House of Commons on Bill No. 10 will extend the scope and application of the important measures already taken for meeting the needs of returned soldiers and their dependents.

The adoption of the Classification of the Civil Service of Canada will make it possible for the Commission to proceed at once with the further organization of the Service.

The success which has greeted the inauguration of the Victory Loan is a tribute to the patriotism and organizing capacity of Canadian business men, and fully demonstrates the determination and readiness of the country to fulfil its obligations to its soldiers, maintain the credit of Canada, and strengthen its trade position.

In a survey of the economic and social conditions throughout the world, it is satisfactory to note that Canada's position compares favourably with that of any other country and is far more favourable than most. With the accordant action of labour and capital, aided as it has been by the Industrial Conference lately held, and with the continued application of our people to productive pursuits, accompanied by rigid adherence to thrift and saving, we can face the coming years of reconstruction and adjustment with hopeful confidence.

Gentlemen of the House of Commons:

I thank you for the provisions made for the public service along the lines of reconstruction and aid for the returned soldiers.

Honourable Gentlemen of the Senate:

Gentlemen of the House of Commons:

I devoutly pray that Almighty God may incline our minds to sane and prudent counsels, may inspire all our people with the will to work and to save, and continue the blessings of peace and prosperity within our borders.

The Speaker of the Senate then said:

It is His Excellency the Governor General's will and pleasure, that this Parliament be prorogued until Saturday, the 20th day of December next, to be here holden, and this Parliament is accordingly prorogued until Saturday, the 20th day of December next.

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