DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1935

OFFICIAL REPORT

Editor: DAVID J. HALPIN

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SIXTH SESSION—SEVENTEENTH PARLIAMENT—25-26 GEORGE V

OTTAWA
J. O. PATENAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1935

SENATORS OF CANADA

ACCORDING TO SENIORITY

JULY 5, 1935

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

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
RAOUL DANDURAND, P.C.	De Lorimier	Montreal, Que.
JOSEPH P. B. CASGRAIN	De Lanaudière	Montreal, Que.
JOSEPH M. WILSON	Sorel	Montreal, Que.
RUFUS HENRY POPE	Bedford	Cookshire, Que.
GEORGE GORDON	Nipissing	North Bay, Ont.
ERNEST D. SMITH	Wentworth	Winona, Ont.
JAMES J. DONNELLY	South Bruce	Pinkerton, Ont.
CHARLES PHILIPPE BEAUBIEN	Montarville	Montreal, Que.
JOHN MCLEAN	Souris	Souris, P.E.I.
JOHN STEWART MCLENNAN	Sydney	Sydney, N.S.
WILLIAM HENRY SHARPE	Manitou	Manitou, Man.
GEORGE LYNCH-STAUNTON	Hamilton	Hamilton, Ont.
CHARLES E. TANNER	Pictou	Halifax, N.S.
THOMAS JEAN BOURQUE	Richibucto	Richibucto, N.B.
HENRY W. LAIRD	Regina	Regina, Sask.
ALBERT E. PLANTA	Nanaimo	Nanaimo, B.C.
LENDRUM MCMEANS	Winnipeg	Winnipeg, Man.
DAVID OVIDE L'ESPÉRANCE	Gulf	Quebec, Que.
RICHARD SMEATON WHITE	Inkerman	Montreal, Que.
AIMÉ BÉNARD	St. Boniface	Winnipeg, Man.
GEORGE HENRY BARNARD	Victoria	Victoria, B.C.
JAMES DAVIS TAYLOR	New Westminster	New Westminster, B.C

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SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
EDWARD MICHENER	Red Deer	Red Deer, Alta.
WILLIAM JAMES HARMER	Edmonton	Edmonton, Alta
PIERRE EDOUARD BLONDIN, P.C. (Speaker)	The Laurentides	Montreal, Que.
GERALD VERNER WHITE	Pembroke	Pembroke, Ont.
SIR THOMAS CHAPAIS, K.B.	Grandville	Quebec, Que.
LORNE C. WEBSTER	Stadacona	Montreal, Que.
JOHN ANTHONY MCDONALD	Shediac	Shediac N.B.
WILLIAM A. GRIESBACH, C.B., C.M.G.	Edmonton	Edmonton, Alta.
JOHN MCCORMICK	Sydney Mines	Sydney Mines, N.S.
JAMES A. CALDER, P.C.	Saltcoats	Regina, Sask.
ROBERT F. GREEN	Kootenay	Victoria, B.C.
ARCHIBALD B. GILLIS	Saskatchewan	Whitewood, Sask.
ARCHIBALD H. MACDONELL, C.M.G.	South Toronto	Toronto, Ont.
FRANK B. BLACK	Westmorland	Sackville, N.B.
ARTHUR C. HARDY, P.C.	Leeds	Brockville, Ont.
ONÉSIPHORE TURGEON	Gloucester	Bathurst, N B.
SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.	North York	Toronto, Ont.
CLIFFORD W. ROBINSON	Moncton	Moncton, N.B.
JAMES JOSEPH HUGHES	King's	Souris, P.E.I.
CREELMAN MACARTHUR	Prince	Summerside, P.E.I.
CHARLES MURPHY, P.C.	Russell	Ottawa, Ont.
WILLIAM ASHBURY BUCHANAN	Lethbridge	Lethbridge, Alta.
ARTHUR BLISS COPP, P.C.	Westmorland	Sackville, N.B.
JOHN PATRICK MOLLOY	Provencher	Morris, Man.
DANIEL E. RILEY	High River	High River, Alta.
RT. HON. GEORGE P. GRAHAM, P.C.	Eganville	Brockville, Ont.
WILLIAM H. MCGUIRE	East York	Toronto, Ont.
DONAT RAYMOND	De la Vallière	Montreal, Que.
JAMES H. SPENCE	North Bruce	Toronto, Ont.
EDGAR S. LITTLE	London	London, Ont.
GUSTAVE LACASSE	Essex	Tecumseh, Ont.
HENRY HERBERT HORSEY	Prince Edward	Cressy, Ont.
WALTER E. FOSTER, P.C.	Saint John	Saint John, N.B.
HANCE J. LOGAN	Cumberland	Parrsboro, N.S.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
CAIRINE R. WILSON	Rockcliffe	Ottawa, Ont.
JAMES MURDOCK, P.C.	Parkdale	Ottawa, Ont.
RODOLPHE LEMIEUX, P.C.	Rougemont	Montreal, Que.
EDMUND WILLIAM TOBIN	Victoria	Bromptonville, Que.
GEORGE PARENT	Kennebec	Quebec, Que.
JULES-EDOUARD PREVOST	Mille Isles	St. Jerome, Que.
JOHN EWEN SINCLAIR, P.C.	Queen's	Emerald, P.E.I.
JAMES H. KING, P.C.	Kootenay East	Victoria, B.C.
ARTHUR MARCOTTE	Ponteix	Ponteix, Sask.
PATRICK BURNS	Calgary	Calgary, Alta.
ALEXANDER D. McRAE, C.B.	Vancouver	Vancouver, B.C.
RT. HON. ARTHUR MEIGHEN, P.C.	St. Mary's	Toronto, Ont.
CHARLES COLQUHOUN BALLANTYNE, P.C.	Alma	Montreal, Que.
WILLIAM HENRY DENNIS	Halifax	Halifax, N.S.
JOHN ALEXANDER MACDONALD	Richmond—West Cape Breton	St. Peters, Cape Breton, N.S.
JOSEPH H. RAINVILLE	Repentigny	St. Lambert, Que.
ALBERT J. BROWN	Wellington	Montreal, Que.
GUILLAUME ANDRÉ FAUTEUX, P.C.	De Salaberry	Outremont, Que.
LUCIEN MORAUD	La Salle	Quebec, Que.
HORATIO CLARENCE HOCKEN	Toronto	Toronto, Ont.
ALFRED ERNEST FRIPP	Ottawa	Ottawa, Ont,
LOUIS COTÉ	Ottawa East	Ottawa, Ont.
RALPH BYRON HORNER	Saskatchewan North	Blaine Lake, Sask.
WALTER MORLEY ASELTINE	West Central Saskatchewan	Rosetown, Sask.

SENATORS OF CANADA

ALPHABETICAL LIST

JULY 5, 1935

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
ASELTINE, W. M.	West Central Saskatchewan	Rosetown, Sask.
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G.	North York	Toronto, Ont.
BALLANTYNE, C.C., P.C.	Alma	Montreal, Que.
BARNARD, G. H.	Victoria	Victoria, B.C.
BEAUBIEN, C. P.	Montarville	Montreal, Que.
BÉNARD, A.	St. Boniface	Winnipeg, Man.
BLACK, F. B.	Westmorland	Sackville, N.B.
BLONDIN, P. E., P.C. (Speaker)	The Laurentides	Montreal, Que.
BOURQUE, T. J.	Richibucto	Richibucto, N.B.
BROWN, A. J.	Wellington	Montreal, Que.
BUCHANAN, W. A.	Lethbridge	Lethbridge, Alta.
BURNS, PATRICK	Calgary	Calgary, Alta.
CALDER, J. A., P.C.	Saltcoats	Regina, Sask.
CASGRAIN, J. P. B.	De Lanaudière	Montreal, Que.
CHAPAIS, SIR THOMAS, K.B.	Grandville	Quebec, Que.
COPP, A. B., P.C.	Westmorland	Sackville, N.B.
COTÉ, L.	Ottawa East	Ottawa, Ont.
DANDURAND, R., P.C.	De Lorimier	Montreal, Que.
DENNIS, W.H.	Halifax	Halifax, N.S.
DONNELLY, J. J.	South Bruce	Pinkerton, Ont.
FAUTEUX, G. A., P.C.	De Salaberry	Outremont, Que.
FOSTER, W. E., P.C.	Saint John	Saint John, N.B.
FRIPP, A. E.	Ottawa	Ottawa, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
GILLIS, A. B	Saskatchewan	Whitewood, Sask.
GORDON, G	Nipissing	North Bay, Ont.
GRAHAM, RT. HON. GEO. P., P.C	Eganville	Brockville, Ont.
GREEN, R. F	Kootenay	Victoria, B.C.
GRIESBACH, W. A., C.B., C.M.G	Edmonton	Edmonton, Alta.
HARDY, A. C., P.C	Leeds	Brockville, Ont.
HARMER, W. J	Edmonton	Edmonton, Alta.
HOCKEN, H.C	Toronto	Toronto, Ont.
HORNER, R. B	Saskatchewan North	Blaine Lake, Sask.
HORSEY, H. H	Prince Edward	Cressy, Ont.
HUGHES, J. J	King's	Souris, P.E.I.
KING, J. H., P.C	Kootenay East	Victoria, B.C.
LACASSE, G	Essex	Tecumseh, Ont.
LAIRD, H. W	Regina	Regina, Sask.
LEMIEUX, R., P.C	Rougemont	Montreal, Que.
L'ESPÉRANCE, D. O	Gulf	Quebec, Que.
LITTLE, E. S	London	London, Ont.
LOGAN, H. J	Cumberland	Parrsboro, N.S.
LYNCH-STAUNTON, G	Hamilton	Hamilton, Ont.
MACARTHUR, C	Prince	Summerside, P.E.I.
MACDONALD, J. A	Richmond—West Cape Breton	St. Peters, Cape Breton, N.S.
MACDONELL, A. H., C.M.G	Toronto, South	Toronto, Ont.
MARCOTTE, A	Ponteix	Ponteix, Sask.
MCCORMICK, J	Sydney Mines	Sydney Mines, N.S.
MCDONALD, J. A	Shediac	Shediac, N.B.
MCGUIRE, W. H	East York	Toronto, Ont.
MCLEAN, J	Souris	Souris, P.E.I.
MCLENNAN, J. S	Sydney	Sydney, N.S.
MCMEANS, L	Winnipeg	Winnipeg, Man.
MCRAE, A. D., C.B	Vancouver	Vancouver, B.C.
MEIGHEN, RT. HON. ARTHUR, P.C	St. Mary's	Toronto, Ont.
MICHENER, E	Red Deer	Red Deer, Alta.
MOLLOY, J. P	Provencher	Morris, Man.
MORAUD, L	La Salle	Quebec, Que.
MURDOCK, J., P.C	Parkdale	Ottawa, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
MURPHY, C., P.C.	Russell	Ottawa, Ont.
PARENT, G.	Kennebec	Quebec, Que.
PLANTA, A. E.	Nanaimo	Nanaimo, B.C.
POPE, R. H.	Bedford	Cookshire, Que.
PREVOST, J. E.	Mille Isles	St. Jerome, Que.
RAINVILLE, J. H.	Repentigny	St. Lambert, Que.
RAYMOND, D.	De la Vallière	Montreal, Que.
RILEY, D. E.	High River	High River, Alta.
ROBINSON, C. W.	Moncton	Moncton, N.B.
SHARPE, W. H.	Manitou	Manitou, Man.
SINCLAIR, J. E., P.C.	Queen's	Emerald, P.E.I.
SMITH, E. D.	Wentworth	Winona, Ont.
SPENCE, J. H.	North Bruce	Toronto, Ont.
TANNER, C. E.	Pictou	Pictou, N.S.
TAYLOR, J. D.	New Westminster	New Westminster, B.C.
TOBIN, E. W.	Victoria	Bromptonville, Que.
TURGEON, O.	Gloucester	Bathurst, N.B.
WEBSTER, L. C.	Stadacona	Montreal, Que.
WHITE, G. V.	Pembroke	Pembroke, Ont.
WHITE, R. S.	Inkerman	Montreal, Que.
WILSON, C. R.	Rockcliffe	Ottawa, Ont.
WILSON, J. M.	Sorel	Montreal, Que.

SENATORS OF CANADA

BY PROVINCES

JULY 5, 1935

ONTARIO—24

	SENATORS	POST OFFICE ADDRESS
	The Honourable	
1	GEORGE GORDON	North Bay.
2	ERNEST D. SMITH	Winona.
3	JAMES J. DONNELLY	Pinkerton.
4	GEORGE LYNCH-STAUNTON	Hamilton.
5	GERALD VERNER WHITE	Pembroke.
6	ARCHIBALD H. MACDONELL, C.M.G	Toronto.
7	ARTHUR C. HARDY, P.C	Brockville.
8	SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G	Toronto.
9	CHARLES MURPHY, P.C	Ottawa.
10	RT. HON. GEORGE P. GRAHAM, P.C	Brockville.
11	WILLIAM H. MCGUIRE	Toronto.
12	JAMES H. SPENCE	Toronto.
13	EDGAR S. LITTLE	London.
14	GUSTAVE LACASSE	Tecumseh.
15	HENRY H. HORSEY	Cressy.
16	CAIRINE R. WILSON	Ottawa.
17	JAMES MURDOCK, P.C	Ottawa.
18	RT. HON. ARTHUR MEIGHEN, P.C.	Toronto.
19	HORATIO C. HOCKEN	Toronto.
20	ALFRED E. FRIPP	Ottawa.
21	LOUIS COTÉ	Ottawa.
22		
23		
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QUEBEC—24

	SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
	The Honourable		
1	Raoul Dandurand, P.C.	De Lorimier	Montreal.
2	Joseph P. B. Casgrain	De Lanaudière	Montreal.
3	Joseph M. Wilson	Sorel	Montreal.
4	Rufus H. Pope	Bedford	Cookshire.
5	Charles Philippe Beaubien	Montarville	Montreal.
6	David Ovide L'Espérance	Gulf	Quebec.
7	Richard Smeaton White	Inkerman	Montreal.
8	Pierre Edouard Blondin, P.C. (Speaker)	The Laurentides	Montreal.
9	Sir Thomas Chapais, K.B	Grandville	Quebec.
10	Lorne C. Webster	Stadacona	Montreal.
11	Donat Raymond	De la Vallière	Montreal.
12	Rodolphe Lemieux, P.C.	Rougemont	Montreal.
13	Edmund W. Tobin	Victoria	Bromptonville.
14	George Parent	Kennebec	Quebec.
15	Jules-Edouard Prevost	Mille Isles	St. Jerome.
16	Charles C. Ballantyne, P.C.	Alma	Montreal.
17	Joseph H. Rainville	Repentigny	St. Lambert.
18	Albert J. Brown	Wellington	Montreal.
19	Guillaume A. Fauteux, P.C.	De Salaberry	Outremont.
20	Lucien Moraud	La Salle	Quebec.
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22			
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NOVA SCOTIA—10

	SENATORS	POST OFFICE ADDRESS
	The Honourable	
1	JOHN S. MCLENNAN	Sydney.
2	CHARLES E. TANNER	Pictou.
3	JOHN MCCORMICK	Sydney Mines.
4	HANCE J. LOGAN	Parrsboro.
5	WILLIAM H. DENNIS	Halifax.
6	JOHN A. MACDONALD	St. Peters, Cape Breton.
7		
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NEW BRUNSWICK—10

	The Honourable	
1	THOMAS JEAN BOURQUE	Richibucto.
2	JOHN ANTHONY MCDONALD	Shediac.
3	FRANK B. BLACK	Sackville.
4	ONÉSIPHORE TURGEON	Bathurst.
5	CLIFFORD W. ROBINSON	Moncton.
6	ARTHUR BLISS COPP, P.C.	Sackville.
7	WALTER E. FOSTER, P.C.	Saint John.
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PRINCE EDWARD ISLAND—4

	The Honourable	
1	JOHN MCLEAN	Souris.
2	JAMES JOSEPH HUGHES	Souris.
3	CREELMAN MACARTHUR	Summerside.
4	JOHN EWEN SINCLAIR, P.C.	Emerald.

BRITISH COLUMBIA—6

	SENATORS	POST OFFICE ADDRESS
	The Honourable	
1	Albert E. Planta	Nanaimo.
2	George Henry Barnard	Victoria.
3	James Davis Taylor	New Westminster.
4	Robert F. Green	Victoria.
5	James H. King, P.C.	Victoria.
6	Alexander D. McRae, C.B.	Vancouver.

MANITOBA—6

	The Honourable	
1	William H. Sharpe	Manitou.
2	Lendrum McMeans	Winnipeg.
3	Aimé Bénard	Winnipeg.
4	John Patrick Molloy	Morris.
5		
6		

SASKATCHEWAN—6

	The Honourable	
1	Henry W. Laird	Regina.
2	James A. Calder, P.C.	Regina.
3	Archibald B. Gillis	Whitewood.
4	Arthur Marcotte	Ponteix.
5	Ralph B. Horner	Blaine Lake.
6	Walter M. Aseltine	Rosetown.

ALBERTA—6

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

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Thursday, January 17, 1935.

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

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

Prayers.

OPENING OF THE SESSION

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary informing him that the Right Honourable Sir Lyman P. Duff, Chief Justice of Canada, in his capacity as Deputy Governor General, would proceed to the Senate Chamber to open the session of the Dominion Parliament this day at three o'clock.

The Senate adjourned during pleasure.

The Right Honourable Sir Lyman P. Duff, Chief Justice of Canada, Deputy Governor General, having come and being seated,

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

Who being come,

The Hon. the SPEAKER said:

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

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

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

The sitting was resumed.

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 this day at thirty minutes past three o'clock.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

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

I welcome you at a time when our country stands upon the threshold of a new era of prosperity. It will be for you, by your labours, to throw wide the door.

During the past year the grip of hard times has been broken. Conditions show marked improvement. Employment is increasing. Our trade is expanding. The national revenues are higher. These evidences of recovery attest the wisdom and efficacy of the measures you have taken. In these improved conditions, there may now successfully be carried forward those great tasks of reform upon which the well-being of this country depends.

In the anxious years through which you have passed, you have been the witnesses of grave defects and abuses in the capitalist system. Unemployment and want are the proof of these. Great changes are taking place about us. New conditions prevail. These require modifications in the capitalist system to enable that system more effectively to serve the people. Reform measures will therefore be submitted to you as part of a comprehensive plan designed to remedy the social and economic injustices now prevailing, and to ensure to all classes and to all parts of the country a greater degree of equality in the distribution of the benefits of the capitalist system.

Upon this plan you have made a beginning.

Reform measures approved by you at the last session of Parliament are already in successful operation. I observe with especial gratification the manner in which the Natural Products

Marketing Act and the Farmers' Creditors Arrangement Act are already serving the great and urgent needs of agriculture and other primary industries. You will be invited to consider amendments to these Acts which will extend the sphere of their usefulness. The organization of the Bank of Canada is nearing completion, and it will commence operations at an early date. My Ministers are convinced of the value of this institution as an instrument of national policy to direct the better utilization of the credit resources of Canada.

Legislation enacted at the last session of Parliament respecting the metallic coverage of our note issue and the initiation of the public works program have eased credit conditions and stimulated business enterprise.

Better provision will be made for the security of the worker during unemployment, in sickness, and in old age.

The measures taken respecting public and private debts have done much to lighten the burden of the taxpayer and to improve the position of the farming community. My Ministers are now engaged upon a survey of the national debt structure to determine what action may be practicable and advisable to effect further improvement in it.

You will be invited to enact legislation to extend existing facilities for long term and intermediate credit.

During the past year, wider markets for our products have been secured. A supplementary trade agreement has been negotiated with the Republic of France. The trade agreement with Austria has been renewed. Negotiations with the Government of Poland, which it is hoped will lead to the conclusion of a comprehensive commercial convention, are in progress. It is the policy of my Ministers to pursue vigorously every opportunity by which our world trade may be increased. The policy of my Government of consolidating and expanding Empire markets will be vigorously pursued.

A royal commission has been appointed to advise my Ministers upon the steps which should be taken to implement the findings of the Duncan Commission.

Pursuant to the agreement made between the Government of Canada and the Governments of Saskatchewan and Alberta, royal commissions have been appointed to determine what, if any, compensation is payable to these provinces in respect to the period since 1905, in which their natural resources were under the control of the Government of Canada.

My Ministers are co-operating with the Governments of the Prairie Provinces in a survey of those areas which have been stricken by recurring periods of drought, for the purpose of determining what steps may be taken to provide a permanent solution to this grave problem.

Action will be taken to ameliorate the conditions of labour, to provide a better and more assured standard of living for the worker, to secure minimum wages and a maximum working week, and to alter the incidence of taxation so that it will more directly conform to capacity to pay.

You will be invited to enact measures designed to safeguard the consumer and primary producer against unfair trading practices and to regulate, in the public interest, concentrations in production and distribution.

You will be invited also to enact measures to provide the investing public with means to protect itself against exploitation.

You will be invited to enact legislation to amend and consolidate the Act relating to patents and inventions.

My Government has under consideration the adoption, throughout the penitentiaries of Canada, of a system similar to that which is known in England as the "Borstal System," and is making investigations as to its operation.

My Ministers have under preparation a plan for the reorganization of the Government services so that they may be better equipped to discharge the onerous duties which devolve upon them. You will be invited to consider measures, the purpose of which will be to authorize the first stage in this plan of reorganization.

You will be invited to authorize the constitution of an Economic Council, the functions of which will be to advise my Ministers upon all economic questions which concern the national welfare.

The four hundredth anniversary of the landing of Jacques Cartier was fittingly commemorated in the chief centres connected with his voyages of discovery. Representatives of the Governments of the United Kingdom, France, and the United States, took part. The celebration and the visit of a large and distinguished mission from France knit new bonds of understanding.

The maintenance of peace and the good understanding between nations upon which peace depends, have been the constant concern of my Ministers. There are definite signs that the political tension and unrest in Europe which have intensified rivalry in armaments and economic restrictions, are lessening, largely as a result of the renewed determination to make use of the agencies of conciliation and co-operation provided by the League of Nations. It will be the object of my Government to support this policy and to work towards the progressive reduction of armaments and the stabilization of international economic relations.

The year 1935 will be memorable for all subjects of His Gracious Majesty King George V. On the 6th of May, we shall celebrate, throughout the British Empire, the 25th anniversary of His Majesty's accession to the Throne. On that day, all of us will wish to unite in an act of thanksgiving to Almighty God for having thus preserved His Majesty, whose wisdom and devotion to the well-being of his subjects have proved so inestimable a blessing. My Ministers are considering means, shortly to be announced, by which the people of Canada may be afforded an opportunity of suitably commemorating this great landmark in the history of our Empire, and of testifying their loyal devotion to their beloved Sovereign.

Members of the House of Commons:

The public accounts for the last fiscal year, and the Estimates for the coming year, will be submitted to you at an early date.

Honourable Members of the Senate:

Members of the House of Commons:

I know you will be diligent and resolute in the country's service. Though the problems which confront you are, in essence and degree, far different from those which in the past you

overcame, I know that these present ones you will surmount with the same spirit of faith and determination which has carried Canada to a forward place among the nations.

May God give you strength to support, by your unremitting labours, this great movement towards happier days.

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

The sitting of the Senate was resumed.

RAILWAY BILL

FIRST READING

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

CONSIDERATION OF HIS EXCELLENCY'S SPEECH

On motion of Right Hon. Mr. Meighen, it was ordered that the speech of His Excellency the Governor General be taken into consideration at the next sitting of the House.

The Senate adjourned until Tuesday, January 22, at 8 p.m.

THE SENATE

Tuesday, January 22, 1935.

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

Prayers and routine proceedings.

COMMITTEE ON ORDERS AND PRIVILEGES

Right Hon. Mr. MEIGHEN 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

Right Hon. Mr. MEIGHEN moved:

That pursuant to Rule 77 the following senators, to wit: Honourable Senators Beaubien, Buchanan, Dandurand, Graham, Horsey, Sharpe, Tanner, White (Pembroke) and the mover be appointed a Committee of Selection to nominate senators to serve on the several standing committees during the present session, and to report with all convenient speed the names of the senators so nominated.

The motion was agreed to.

ABITIBI POWER DEVELOPMENT

QUESTION OF PRIVILEGE

Right Hon. Mr. MEIGHEN: Honourable members, it is with very real regret that I feel compelled to invite the attention of the House to a matter which concerns myself, especially as this is the second occasion on which I have felt it my duty to do so, and especially also as I have reason to feel, and have had reason to believe, that this House is not very receptive to a discussion of the subject.

It will be recalled that on the 6th of April, 1933, the subject having been introduced, in a manner to which no one could take exception, by the honourable senator from London (Hon. Mr. Little), I referred to certain aspersions affecting myself and made a very definite statement regarding them, to every sentence and line of which I now wish to express complete adherence.

Subsequently certain correspondence took place between myself and the Prime Minister which resulted in the appointment of the Chief Justice of Canada to investigate certain specific allegations reflecting on myself. Prior to this, correspondence had passed between the then Premier of Ontario and myself. I shall not burden our record with this correspondence, but shall merely refer honourable members to it, as it is contained in evidence to which I shall presently refer. After appointment of the Chief Justice of Canada to which I have alluded, a further step was taken by the Government of Ontario and an investigation was held last summer. It was during the course of evidence there given that the correspondence to which I have just made allusion was presented. I intend to be exceedingly brief, because the subject does not warrant consideration at length on my part under present circumstances; so I merely refer honourable members to that correspondence and the subsequent correspondence between myself and the Prime Minister of Canada, all of which appears in the evidence so given.

I now merely wish to read two letters. One of them was addressed by myself on the 4th day of the present month to the Prime Minister. It is as follows:

My dear Prime Minister:

I regret indeed that circumstances impel me to bother you again with respect to the matter of allegations made some time ago regarding the purchase of Ontario Power Service bonds and the appointment by your Government of the Rt. Hon. the Chief Justice of Canada to make enquiry into same in so far as such allegations affect my honour as a public man.

You will recall that immediately after the Chief Justice was appointed and before he was able to organize the enquiry, the Government of Ontario appointed two Commissioners, Chief Justice Latchford and Mr. Justice Smith (retired) to make investigation of virtually the same subject-matter. That this was done merely to head off the enquiry to be made by the Chief Justice of Canada was, of course, manifest to all, and was made abundantly clear by the action of the new Commissioners in Ontario, who met within a few moments after their appointment and before those affected had any notice thereof, and received in evidence a large mass of material affecting myself and others concerned without my so much as knowing that a sitting was taking place or even that a Commission was appointed. Their purpose very obviously was to see that no other Commissioner could get access to these important documents.

This Commission, known as the Latchford-Smith Commission, commenced its sittings on July 13 and concluded on August 23 last. I shall not comment on the conduct of their investigation, as the nature and spirit of it was glaringly clear from the beginning. Although my conduct complained of was conduct in a public capacity, I was immediately denied even a recommendation that counsel be provided, contrary to all precedent of which I have knowledge. Further, the Province of Ontario was represented by counsel who was himself one of my accusers. These facts speak for themselves and need no elaboration by reference to a series of remarkable decisions and failure of decisions on the part of the Commissioners which marked the entire proceeding. The whole affair was used mainly as a sounding board for the accuser, acting as public prosecutor, for the purpose of newspaper headlines.

As you are aware, I left Toronto for Australia on 3rd October. On or about the 27th of October the report of the Commissioners was handed to the Government of Ontario and by that Government handed to the Press, or certain of the Press. Extracts from the report were published. Ever since these extracts were published, Mr. P. H. Gordon, K.C., acting as my solicitor, has been endeavouring to procure a copy of the report from the Secretary of the Commission, from the Counsel for the Hydro Commission during the investigation, and from the Government itself. He has been denied at all sources a copy of the report or the privilege of making a copy himself—this on the plea that it must first be presented to the Legislature. One cannot help admiring the delicate solicitude for the right of the Legislature to have prior access to a public document several months after such document has been handed to the Press.

On being finally refused access to this report by the Premier's office, I perused the extracts in the press. Inasmuch as the evidence given (though all produced by the accuser) contained so far as I could observe no conflict of testimony, it is to me incomprehensible that the Commissioners have utterly failed to grasp even the fundamental facts.

In so far as the so-called finding affects myself, it appears to be based on a conclusion that the action of the Hydro Commission on 2nd August, 1932, in acceding to the request of the Ontario Government to put through a purchase negotiated entirely by that Government and wholly on the credit and responsibility of that Government involved an exercise of discretion as to the merits of the bargain by the Commission itself, and that the Commission should have reviewed the entire transaction and acted as a sort of Court of Appeal over the Government of the day in respect of a matter which was entirely governmental and provincial.

The Commissioners find that the indemnification given the Hydro Commission by the Government through an Order in Council "is ineffectual because it creates a liability on the Province that cannot be created by Order in Council." You will find it hard to believe that these Commissioners took pains to omit in their report that this indemnity thus given was subsequently ratified by the Legislature and that the ratification speaks from the moment such indemnity was given, although these facts appear time and again in uncontradicted evidence, and in argument.

There is perhaps nothing in the report so far as published quite so amazing as a finding that the seven hundred odd partner municipalities for whom the Hydro Commission has always acted as Trustee are not in reality owners of the property administered by such Commission. This finding does not at all affect myself and is only referred to as indicative of the calibre of the report.

While it is true that the report so far as I can ascertain appears to have received little if any public attention and has made still less impression on the public mind, nevertheless I feel, as expressed in previous communications, that I am entitled to have this matter cleared up authoritatively by a member of the Judiciary of the very highest standing in Canada of whose fairness and capacity there can be no question whatever.

Shortly after the appointment of the Latchford-Smith Commission, the Rt. Hon. the Chief Justice gave out a statement to the effect that the authority vested in him to hold enquiry would not at that time at least be exercised. I earnestly request that intimation now be given the Chief Justice that your Government is of the view that he should undertake the task which was vested in him by Federal Order in Council of July last.

It is my sincere hope that you will see your way to accede.

Yours very truly,
Arthur Meighen.

The Prime Minister replied on the 7th of January as follows:

My dear Colleague:

I have your letter of the 4th instant, in which you request that I intimate, on behalf of this Government, to the Chief Justice of Canada that we would be pleased if he would now proceed to execute the Commission entrusted to him by Order in Council of July last respecting certain charges affecting yourself.

While I have not yet seen a copy of the Latchford-Smith report, I have perused extracts from such report made in the press of October 27 last.

It is plain from these extracts that, in so far as the Commission has made a finding respecting yourself, it is based upon their interpretation of your legal position when, on August 2, 1932, and subsequent dates, you, as a Hydro Commissioner, took part, with your fellow Commissioners, in a decision to comply with a request of the Government of Ontario to carry through for that Government the purchase which it was making

of certain bonds and ultimately of the property securing the same. From the documents, it would appear that your contention was that the property being administered by the Hydro Commission belonged to the seven hundred or more partner municipalities (subject, of course, to indebtedness) and that as Commissioner you were acting as Trustee of such municipalities and that, as the contemplated purchase was being made by the Government of Ontario on the credit of that Government and the properties of the municipalities were in no way affected it was not your duty to review the merits of the Government's bargain. Consequently, you believed and stated that you had no discretion to exercise affecting in any way the price to be paid for the bonds and properties. On this belief your fellow Commissioners also acted.

The investigating Commissioners appointed by the Governor in Council of Ontario took another view. So far as I can gather from the published report of their finding they hold that the properties being administered by the Hydro Commission do not belong to the partner municipalities but to the Province of Ontario and that you had a duty to check and review any purchases being made by the Ontario Government

I do not wish—in fact it would be highly improper for me—to comment on the soundness or unsoundness of their interpretation of the law, but I think it fair to say that the idea of the Hydro properties not being held for the partner municipalities has not been heretofore the accepted understanding of the situation. The Hydro Commission is appointed and dismissible by the Government itself. It is hardly conceivable that the Legislature intended to clothe that body with the power to review and control the actions of the Government which had appointed it with respect to purchases that in the opinion of the Government should be made on the terms agreed upon. I decline to assume that the Legislature intended to set up a commission having power to modify or even nullify agreements for purchases made by the Government which appointed it.

But the important consideration—indeed the only consideration of interest to this Government—is not whether the investigating Commissioners are right in their interpretation of the law or whether you are right in your interpretation. What concerns us is whether they found in the circumstances anything reflecting on your honour as a public man. Assuming for the sake of argument that they are right and you are wrong, it would appear to me even from the Latchford-Smith report, that your view was honestly held; this seems to me to dispose of the question.

Under these circumstances, I really do not feel there would be any justification for us making to the Chief Justice the representations you request. It is a matter of sincere regret to me not to be able to meet your wishes, but I trust on further reflection you will agree with the views I have expressed.

With kindest regards, believe me,

Yours faithfully,

R. B. Bennett.

There is very much more that I could say. I refrain at this time because of a conviction that the House does not feel it appropriate that I should say it. I accept the position taken by the Prime Minister; but if any honourable member of this House takes another view, or feels that upon that report my honour is even in the most oblique or remote way concerned, I invite him to move here for a committee to investigate the allegations made against me. I shall accept such a motion without the shadow of a feeling of resentment. What is more, I shall support it and invite and urge honourable members to support it as well. I shall gladly appear before that committee. But if it should not be the wish of any honourable member so to move, then from this date onward I shall treat this report of the Latchford-Smith Commission with the attention it deserves, which is exactly none at all.

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. L. COTE rose to move that an Address be presented to His Excellency the Governor General to offer the humble thanks of this House to His Excellency for the gracious Speech which he has been pleased to make to both Houses of Parliament.

He said (Translation): The right honourable leader of this House was no doubt thinking of the evangelical precept that "The last shall be first" when he entrusted me with the important and perilous honour of moving the adoption of the Address in reply to the Speech from His Excellency the Governor General.

I accepted this task, the fulfilment of which impresses me anew with a full consciousness of my inexperience and lack of eloquence, merely in order not to show ingratitude.

I hope the right honourable leader of this House will allow me to express my sincere thankfulness for his having thus honoured me particularly. I must also tell him how happy it makes me to see him in his seat, looking so hale and healthy after his trip to the antipodes, where he contributed to increase the fame of our country.

It is no doubt true that, in this honourable House, designed more for control and supervision, my right honourable friend must sometimes long for other spheres of public life, spheres where he formerly served his country so brilliantly. On the other hand, the very thought that in this assembly which he adorns, thanks to his vast experience, his clarity, his intellectual power and integrity, he is still serving his country, must sustain and console his patriotism, and that, much better than my feeble words could express.

In these precincts, which one feels to be free of partisan feeling, shall I lay myself open to accusations of party spirit if I offer to the Prime Minister of Canada the expression of my personal homage? Who would dare criticize me for greeting here the one who took command of the ship of state, at the very moment when it was already rocked by the storm? And yet, his faith and courage were never shaken, nothing could disturb the ship, not the fury of the destructive elements which threatened it, nor the number of reefs in its way, nor the doubt expressed concerning its future.

His arduous and unceasing labours have been an example to the nation. His confidence in the vital forces of the country and his determination to overcome the difficulties of the hour have everywhere given birth to new courage and strength.

Generously and without counting the cost, he gave himself to his noble and heavy task, and it is not an exaggeration to say that if valour, if love of country and trust in its destinies were to disappear from Canadian soil, it would be possible to rediscover them in the heart of the Right Honourable Richard Bedford Bennett.

And to-day, when the storm is abating and one may read in the speech which His Excellency offers to our consideration that "the grip of hard times has been broken," that "conditions show marked improvement," that "employment is increasing," that "our trade is expanding," and all these statements are based on facts, as I shall try to show briefly later, I believe it would be sheer ingratitude not to say to such a captain: Bravo and thank you.

Honourable senators, since we parted last July, the year 1934 ended its course and gave us many reasons for rejoicing, as well as many reasons for strengthening our courage, and for tempering anew our faith in the future. This time last year, the threatening clouds of war overhanging old Europe as well as the whole world, ready to break and by means of the horrors of the new discoveries of science to spread ruin and death on our modern civilization, were the cause of great apprehension among us. We realized fearfully that distrust, hatred and international rivalries were an ever rising tide. We deplored the failure of the League of Nations.

What is 1935 offering to us? It is true that the clouds have not all vanished. The great nations have not yet solved the problem of disarmament, but certain events have decreased—to quote the Speech from the Throne —"the political tension and unrest in Europe which have intensified rivalry in armaments and economic restrictions."

The agonizing problem of the Saar basin is being settled. The plebiscite is over. The results were awaited with great interest, but the solution of the grave problem which it raised had already been found in Geneva, before the polling. Europe owes this conspicuous success to the efficient part played by the League of Nations, its Council, and the Committee of Three. Thanks to the Committee, a settlement was reached concerning economic and financial questions, a settlement satisfactory to the French as well as to the German interests.

Russia has joined the League of Nations. The Union of Soviet Republics has modified its foreign policy; has given it a new orientation which becomes a significant indication. The Russian authorities were for ever criticizing the League of Nations, they suspected all its actions and openly expressed scepticism as to the usefulness of its work They have turned entirely around. If you leave aside its revolutionary theories on society, Russia has become to a certain point a power for peace in international affairs.

She has been obliged to admit that her problems, as far as international relations are concerned, are the same as those of other countries, and that common action is the most likely solution to these complicated problems.

I must say a word concerning the eminent service rendered by the League at the time of the double assassination in Marseilles. If it had not been for the unanimous and immediate decision of the Council of the League, the diametrically opposed views of Yugoslavia and Hungary must have started a conflagration, and it is only just to admit that the peaceful solution arrived at by the Council saved us from war.

It is therefore not temerity on my part to believe that this honourable House will not hesitate to endorse the statements from the Speech from the Throne, and that it will recognize that if our fears are allayed to-day, it is "largely as a result of the renewed determination to make use of the agencies of conciliation and co-operation provided by the League of Nations."

It seems therefore that not only is the danger of war removed, at least for the moment, but there is even the possibility of European accord.

Canada will no doubt benefit through the economic rehabilitation which this accord will bring forth and we may confidently expect—provided of course we do not forget the co-

operation we owe to the League of Nations—to set to work to secure the stability of its economic and social welfare.

It was most fitting that His Excellency, in his speech, should mention the fourth centenary of the discovery of our country, as well as the celebrations in honour of that famous navigator, that illustrious explorer, that great Frenchman, Jacques Cartier. Our population was delighted with these celebrations, and it is only right to say that the echo from Gaspé was carried from one spire to another, ever growing until it found its highest expression from the tower which crowns our federal buildings.

May I be allowed to congratulate the joint chairmen of the organizing committee of these celebrations, the remembrance of which will long endure. Both are popular members of this House, the honourable member from Montarville (Hon. Mr. Beaubien) and the right honourable member from Eganville (Right Hon. Mr. Graham). Nor should we forget their zealous collaborators.

Thanks to the recalling of this fine and vital page of history, to the visit of such large numbers of our friends from old France, to the presence of the United Kingdom delegates—moved also, as they were, by the remembrance of so much glory, their tactful and delicate speeches giving us to understand that they shared the joy brought by reunion to the sons of old France and New France, the latter being devoted subjects of His Majesty King George,—thanks to all that, we were reminded once more of the necessity of an entente cordiale between Great Britain and France, if we would see the unhampered progress of the charms and advantages of European civilization.

Those celebrations accomplished even more: they reminded us Canadians that the representatives of the two pioneer races in this country should more than ever strengthen the feelings of friendship and solidarity which must flourish among them, if we wish to develop a national spirit, a Canadian spirit both hardy and worthy of our immortal destiny.

I have always, in my own province of Ontario, preached the necessity of this understanding, the necessity for mutual respect of the dignity of our ethnical inheritance and of our mutual aspirations, and Sir Robert Borden proved that he felt that necessity also, and expressed it as follows in his "Canada in the Commonwealth":

> The qualities of the French and the English temperaments are in many respects complementary. Each is capable of distinctive service to the state, and each has given it. Not in fusion, but through co-operation, the highest service of the two races can best be given to Canada.
>
> In Canada, the French race, maintaining its distinctive qualities, has brought to the service of the country much that is valuable. In some measure, the qualities of each race may serve to aid the possible deficiencies of the other.

Turning to the economic sphere, what did Canada reap from the year 1934? There was an increase in our international trade. For the first time since 1931, the total of our imports and exports was beyond a billion. To be exact, it reached the sum of $1,173,373,000, compared to the $939,000,000 of 1933, representing an increase of $234,373, or 24 per cent.

And we may hope that this progress will continue, thanks to a policy of commercial pacts, a policy which has been so beneficial to us since the beginning of the depression. It was with great joy indeed that we heard yesterday the statement of the Prime Minister concerning negotiations with the United States, designed to result in a pact or treaty which will allow Canada to enjoy the benefit of the American market in a reasonable way.

Unemployment has greatly decreased. Statistics for the first eleven months of 1934 show that the labour index improved by 15.1 per cent; the volume of business by 19.3 per cent; wholesale prices by 6·9 per cent; mining production by 23.1 per cent; the receipts of the nationally-owned railways by 11.5 per cent, and those of the C.P.R. by 10.2 per cent.

There is some improvement also in the farmers' lot. In 1934, the value of farm products came to $536,000,000, compared to $423,000,000 for 1933, representing an increase of $113,000,000, at least half of which will be money in the farmers' hands.

One can easily realize the benefits that additional buying power will bring not only to the farmers but also to the economic structure.

I do not wish to waste the time of this House in order to prove at length what is conceded and commented upon by the whole world, namely, that Canada is pulling itself out of the depression just as well as certain countries and much better than many others.

However, it seems unfortunately obvious that if we maintain our economic system in its present form we shall never succeed in giving to our people the assurance of happiness and comfort which every citizen is entitled to expect and which the community must give him. When I speak of happiness, I mean chiefly that sense of very legitimate satisfaction which arises from the receipt of a reward commensurate with the work done.

That is what His Excellency tells us in his message:

In the anxious years through which you have passed, you have been the witnesses of grave defects and abuses in the capitalist system. Unemployment and want are the proof of these.

What are the defects of the capitalist system as it operates to-day and will operate tomorrow if there is nobody to change it, to modify it and to consolidate it?

Is its failure to produce in large quantities for humanity the necessities of life and comfort the cause of these defects? Certainly not, as machinery intended to relieve the worker's muscles and the new processes invented by human ingenuity can produce and, as a matter of fact, do produce more than the great universal family can absorb.

Can you understand how whole populations are suffering from hunger when the granaries are filled with wheat? The only answer to that question is that the capitalist system failed in its task of distributing equitably, among all the elements of the community, the annual production of the farmer and the workman. The lack of work and, consequently, of buying power, has been the main cause of that failure.

To the defects of the system have been added egotism and want of foresight on the part of the producers.

The human point of view and even Christian charity have been forgotten to such an extent that human labour has become an article of trade. Manufacturers would settle in one province rather than in another on account of cheaper labour—"a cheap labour market."

Some people will say that we should leave people free to profit by their egotism. The answer to that false theory about freedom is that we must claim for this Parliament and this Chamber, which are the manifestation of democracy, that they have the right to legislate in order to guarantee the welfare of the people.

As the leader of this Chamber said last year, the treatment should be a new one. Let me quote his words. After having shown to what extent machinery took the place of the workers, he said:

> But the naked and unassailable truth, which only stupidity can prevent anyone from seeing, is that if the United States were to be brought back to-morrow to the peak production of 1929, a production which the world utterly failed to consume or to purchase, there would remain in that country no fewer than six and probably eight millions of unemployed, representing virtually one-third of its whole earning population. What is true there is true in other lands, but the enigma is greater and perhaps the lesson ought to be clearer when one looks upon the situation as a phenomenon of the United States. That is essentially an immensely wealthy country, the greatest self-contained country in the world. If it were a planet it would not need to trade with any other planet in order to multiply the wealth of man. It produces either all that mankind needs or effective substitutes therefor, and if it could devise a plan for putting to work those millions who are now unemployed it would be a happy land. When we see that country struggling in the throes of one of the most terrible depressions that any nation has ever had to face, when we see its people in such desperate straits that even the people of Old England are prosperous in comparison, we are forced to think that something further is needed than mere amendments to tariffs and the holding of international conferences, or the trying of other and somewhat archaic medicines that have been applied to the body politic in the past.

What will these reforms be?

The message of His Excellency points out the ones already passed by this House, such as the creation and the realization of a Central Bank and the law respecting the metal coverage for our bank bills. The main object of these laws is to provide a control of the financial credit of the country in order to secure a greater amount of stability and prosperity. We know by experience that it is much better to enjoy reasonable comfort during our whole lifetime rather than be rich to-day and poor to-morrow. On the other side, it is a well known fact that a rational control of credit is necessary to prevent, in the economic body, those sharp ups and downs which always bring poverty in their wake.

So we shall have to study laws establishing minimum wages and maximum weekly hours of work; laws providing for the security of the workers during periods of unemployment and sickness and in old age; laws to put an end to certain abuses in commercial methods, and many other legislative measures.

All these laws will tend, after all, to attain the same result, so necessary to the welfare of the people: a more equitable distribution of the buying power among our population. In other words, that equitable measure of buying power is expressed by reasonable income or wages which citizens can live on, according to the legitimate aspirations and the dignity of man.

Also, in order to attain that result, we shall have to study laws intended to divide the burden of taxation so that its incidence will be more consistent with the paying capacity of the taxpayer.

These reforms cannot be made in one day and they will form part of a concerted scheme. To the ones already mentioned will be added other schemes which will complete or perhaps modify them. I think, however, that the object towards which we should concentrate our whole ability, efforts and goodwill is as clearly indicated as the Polar Star indicates

the north and it is to bring about, by judicious but courageous legislation, the disappearance of social injustices resulting not from the capitalist system itself but from its defects and deficiencies.

Honourable senators, I am not an economist. I obtained my political experience in a more humble Legislature than this one, where problems such as public education, hospitals, public roads, mothers' allowances and other matters relating to public services were constantly under consideration. However, the opinions I have briefly expressed reflect truly, I am sure, the state of mind of the Canadian citizen who has reached the age of forty. This citizen belongs to a large section of our population which started in active life a little before or during the Great War. A turmoil, the bitterness of which was not lessened by the dance of the dollars between 1926 and 1929, followed the War. We were born under the old regime, but we never have entirely enjoyed the fullness of its development. We belong to a transient generation coming between the old regime and the new one which we are hopefully looking for, ready as we are to set our efforts towards its realization or at least to contribute loyally to it.

Because of the arduous living conditions in which we have found ourselves the men of my generation have made a special study of the chaotic condition of public affairs, they have searched for a formula likely to re-establish order, they have pondered over problems which interested our predecessors but little.

It would be presumptuous to say that the formula is found, but at least, we have our convictions.

And while we are ready to cling to all that is useful and good in the old system, which we received as part of our inheritance, we wish to modify that system, so that it may become an instrument for happiness in the body politic.

I am convinced I am truly describing the state of mind of the honourable members of this House, no matter what their political affiliations may be, no matter what the scope of their experience, when I say that it is with those sentiments that they will undertake the study of the measures forecast in the Speech from the Thone.

I have the honour to move that an address be presented to His Excellency the Governor General, expressing the gratitude of this House for the gracious speech he was pleased to deliver to both Houses of Parliament.

Hon. RALPH B. HORNER: Honourable members, in rising to second the Address in reply to the Speech from the Throne, I feel it my duty to thank the right honourable leader of the Government for the very high honour bestowed on me, an honour intended, I take it, not so much for myself personally as for the great agricultural province of Saskatchewan from which I come, as well as for the farming communities generally throughout the Dominion.

I must ask honourable members to bear with me should I fail to maintain the high traditions of these debates.

I am delighted to second this Address, for I believe that the Speech from the Throne will be regarded as an historic document. Were it not that we are supposed to refrain from discussing party politics, I should be tempted to say that the promised social legislation is such as we should expect from the source from which it emanates.

The Speech from the Throne contains this paragraph:

> In the anxious years through which you have passed, you have been the witnesses of grave defects and abuses in the capitalist system. Unemployment and want are the proof of these. Great changes are taking place about us. New conditions prevail. These require modifications in the capitalist system to enable that system more effectively to serve the people.

Last session Parliament passed the Natural Products Marketing Act. When that legislation was before this Chamber some honourable members were opposed to it. Now I think I may be able to convince them of the necessity for the Act and the great benefit which has already resulted from its operation. We had felt for some time, particularly in Western Canada, that the primary producer should be assisted to organize in order to sell his own produce at the least possible expense, on a basis similar to that adopted by those from whom he purchased his requirements. Instead, the farmer had to take what he was told his product was worth. On the other hand, when buying his implements, the farmer was told what they cost to produce and what profit was added, and he could pay the price demanded or go without. In other words, he carried the whole burden of loss.

Now, as I say, we have had evidence that those who were selling the primary products were not treating the primary producers fairly. During the past few years of the depression the packers were paying for heavy hogs as low as one cent and a half a pound. Permit me to relate a personal experience. I had a hog that when dressed would weigh

six hundred pounds, and after I had paid freight it would have brought me $7. The local butcher processed the animal for me on a fifty-fifty basis, and we each had $25 worth of lard and pork. It is quite evident that when a producer receives such a poor return from the packer something is wrong with the system. I am convinced that the Act will be of untold benefit to the Prairie Provinces, and this benefit, in the form of additional revenue, will be reflected throughout the whole country. Marketing is the important end of any industry. There can be no doubt that the remarkable success of Henry Ford may to a large extent be attributed to the efficiency of his sales service. I submit that through the operation of the Marketing Act our farmers will receive the quickest and surest notification when they are producing any line of produce in excess of market requirements.

We hear suggestions with respect to the control of wheat marketing. In my opinion the most satisfactory medium the farmers of Western Canada ever had for disposing of their wheat was known as the Meighen Wheat Board, which was established in 1919, and for which we have to thank the right honourable leader of this House. Should any similar measure come before this House, I would appeal to honourable members for fair criticism. In 1919 those in Western Canada who were opposed to our leader advised the farmers to throw away their certificates, for, they said, they were of no use. I advised to the contrary. The certificates were valuable, and those who held them received forty-eight cents a bushel for their holdings. Those who threw away their certificates lost thousands of dollars.

Another Act passed last session, the Farmers' Creditors Arrangement Act, will, I am convinced, prove of great benefit to our farmers. It has been stated that an arrangement under the Act will pay off more debt than a good crop. It is working out very satisfactorily. True, many of the land companies had been making adjustments right along with their debtors. For instance, the Canadian Pacific Railway Company in many cases cut the price of its land in two; the Hudson's Bay Company for a time adopted the policy of allowing a credit of $2 for every dollar paid in cash; the Canadian National Railways followed a similar policy. On the other hand, many mortgage companies and farmers will be glad to take advantage of this legislation. I know of many instances where very satisfactory debt adjustments have been brought about between creditor and debtor by virtue of the Act.

Now I should like to refer for a few moments to the question of government interference in business. Had we had government interference in business in the years gone by, there might have been a different situation to-day. We need go back no further than the close of the Great War. At that time the railroads of Canada were allowed to go ahead without any restraint whatever in the building of new lines which parallelled each other; and we know how, even within more recent years, the Canadian Pacific Railway was given charters for the construction of lines in the north country which would compete with those of the Canadian National, and how the Canadian National built a $4,000,000 hotel in Saskatoon and an $11,000,000 hotel in Vancouver. The credit of the country was being swamped, but there was no governmental interference. The Government of Canada appeared to have moved to Montreal, and there it seemed to be established and maintained during the years preceding 1930.

I speak with some knowledge of conditions as they existed about that time, as I had some experience as a director of the Canadian National Railways. And right here may I make mention of the Press of this country? I have no quarrel with the newspapers; they have been very kind to me; but they have made very great mistakes. When the right honourable the leader of this Chamber suggested a slight modification of a certain proposal for expansion he was castigated by the newspapers of this country, regardless of their politics, for attempting to interfere with the public ownership of railways; and the honourable member from Manitou (Hon. Mr. Sharpe) was abused for daring to oppose a $50,000,000 expenditure in the city of Montreal.

As I say, honourable gentlemen, this overdevelopment of the railroads should never have been allowed to take place in this new country. Canada is an immense country, it is true, and has tremendous resources, but at that time it had a population of only ten millions. And what was going on? It was pointed out that we were fast approaching the condition where half the population would be employed by the Government or by government-owned railroads, and it would be impossible for the rest of the people to support such a situation.

But the great tragedy was that young men were drawn away from the land. Many of those young men are now middle-aged, and have families to support. Had this unrestrained development in regard to our railways not taken place, those men would be

on the land to-day. This is all bound up with the question of unemployment insurance. It it true that we have to take care of our people, but I claim that what occurred in connection with the Canadian National Railways was the greatest calamity that ever befell this young country. In the province of Saskatchewan, although we have had the grasshoppers and the drought, we shall be able in a short time to overcome all such difficulties and in the majority of cases to pay back one hundred cents on the dollar; but I say, without fear of successful contradiction, that it will take this country a hundred years to recover from the blight put upon it by what was done in connection with the Canadian National Railways.

A serious situation faces this country with regard to labour. There is reference in the Speech from the Throne to unemployment insurance and the security of labour. I am somewhat alarmed by this. When, as a young man, I left this part of the country to go west and make a home for myself I had no thought that it was the duty of any government or municipal council to see that I secured a living. I know that times have changed, and that many forms of assistance have been adopted; nevertheless, I think we should be very careful in the future. During the years of the depression one thing has been very noticeable, particularly in the province from which I come, where fifty per cent of the population are people who have been born outside of this country: at all times propaganda is being carried on to have the Government do various things. It is freely stated that the Government should do this, that or the other thing. Some of the people who make these statements are well-meaning; others are not, and they are only making a bad condition very much worse. Of course there are those who say, "This country can supply work for everybody," but the Communists say: "Why work hard for small wages? All the money of the country will soon be divided." Consequently I am somewhat alarmed at the undertaking of any public works programme to relieve the people. The result of such programmes is that people leave their farms and endeavour to secure places on these works in the pay of the Government. I am still strongly in favour of assisting and encouraging the farmer. In spite of the great difficulties we have had in Saskatchewan, in the northern part of that province, from which I come, there is scarcely a municipality which has not paid every dollar of its indebtedness to the banks. Many of them have cash in the bank. There are still great open spaces in the West, and many men who have more land than they can use to advantage. There is plenty of room for the young man who wants to make a home for himself, and he can do it much more easily and more comfortably than could those men who built up this great country of ours, and who were not drawn away, by an over-expansion of business, from the work on the farms. The object of all these measures that have been put into effect or are being proposed is to encourage and assist men to stay on the land. I believe there is not a city, town or village in Canada, and certainly not in Western Canada, where men could not be found who should never have left the land and ought to be on farms to-day.

Another point of great importance in the Speech from the Throne is this:

> You will be invited also to enact measures to provide the investing public with means to protect itself against exploitation.

Honourable senators may be surprised if I tell them that the farmer has been the chief victim of such exploitation in the Dominion of Canada. I believe that is the fact. Millions of dollars of Western Canadian money have been put into schemes that never had a chance of paying a single cent in return. It is impossible for a busy farmer to understand stories that are told to him by high pressure salesmen. The salesman has an unfair advantage, because he probably does not get out of bed until nine o'clock, after having had a fine night's rest, whereas the farmer has been up and trudging about since four o'clock and is therefore not as fit to put up a good argument as he otherwise would be. And in addition to that the farmer is flattered by being told that he has a beautiful wife and a lovely farm. Farmers have borrowed money on their land to go into schemes that they thought would make them rich overnight. People of the little community in which I live put a quarter of a million dollars into the Canadian Farm Implement Company, which was promoted in Medicine Hat, Alberta. Not one dollar of that money was returned. We have heard a great deal about the Grain Exchange as the ideal means for disposing of grain, but many million dollars of farmers' savings have been squandered in efforts to make money on the market instead of by actual production of grain. We believe that sort of thing is unnecessary.

I wish again to express my gratitude for the great privilege of seconding the Address in reply to the Speech from the Throne. I also desire to thank honourable members sincerely for the kind attention they have given to my rambling remarks.

Hon. RAOUL DANDURAND: Honourable senators, it is a very pleasant duty for me to congratulate the mover and the seconder of this Address, whose remarks I have followed with considerable interest. I am sorry that all members of this House could not enjoy the speech by the honourable senator from Ottawa East (Hon. Mr. Coté), which was excellent in form and matter, but they will be able to read the translation of it in our Hansard. The honourable gentleman dealt with not only domestic matters, but also questions of international concern, and his mastery of them surprised me, for I did not think that so busy a man as he is had the time to study world affairs so thoroughly. The honourable senator from Saskatchewan North (Hon. Mr. Horner) gave us some very helpful information concerning his part of the country. We from the East are all deeply interested in what is going on in the Middle West. We know that the farming communities out there are confronted with a very difficult situation, and in addition to our sympathetic consideration for their welfare there is the realization that their fate is intimately linked with ours in finance and in business generally. We in the East cannot hope to prosper when there is no prosperity in the West, and I am glad to think that some measures passed by this Parliament are helping to some extent the people of the Prairie Provinces.

I was surprised early in the New Year to hear that the situation in this country was not as good as statistical reports of preceding months had indicated. We were all rejoicing in the belief that conditions were improving. The honourable gentleman from Ottawa East has given figures to show that we were going up-hill. Nevertheless we were making some progress. I am grateful to the Prime Minister for allowing us to have an agreeable Christmas and New Year's Day and postponing until the second of January his surprising statements, which shocked the country. He told us that all was wrong in Canada; that the world—I am using his words—is in tragic circumstances, the signs of recovery are few and doubtful, the signs of trouble are many, and they do not lessen. The day after that address I felt, as I met people here and there in the metropolis of Canada, that the temperature had gone down considerably. Everybody wondered what had happened. We felt it was a public confession by the Prime Minister of the failure of the two most important objectives in his programme of 1930—the settlement of unemployment and the gaining of markets throughout the world.

Figures coming from the Bureau of Statistics have indicated an increase in employment, but we in Montreal have not noticed it. In that city there are still on the dole 47,000 heads of families, and that means 175,000 people out of a population of approximately one million. Most decidedly the unemployment problem has not yet been solved, nor has the "blasting" of the way into foreign markets yet been brought to fruition.

But we are told that if the failure to solve these two important questions has not yet restored prosperity a new recipe will work wonders—and the Right Hon. Prime Minister has heralded a programme of social reform. Well, I listened carefully to his recent radio speeches, and I have weighed them generally and specifically. Although I recognize that social reform is a very good idea, and that Liberalism has always stood for progress and has to its credit many measures in that field, yet I am not convinced that it will be a solution of our present economic problems. We must not forget that many of the projected reforms will be very costly to put into effect, and that beneficent results will not follow immediately. Right Hon. Neville Chamberlain said last week that there was no short-cut to prosperity. For my part, I do not think the enactment of the social and other reforms mentioned in the Speech from the Throne can very soon bring us much nearer to prosperity.

A certain number of the proposed reforms will, as I say, be very costly to put into effect, and therefore we must scrutinize our financial position to know to what extent we can increase our burden. On the 2nd of January the Right Hon. Prime Minister said, "Our burden of debt is heavy and our taxes are high." We all know it. The taxpayer—and who does not pay taxes?—knows it. The burden of debt is heavy, and we are crippled to such an extent in meeting our present responsibilities that a large deficit looms up every year. When we add the railway deficits to the ordinary and the uncontrollable expenditures, the situation is admittedly so grave that the Government thus far has been able to implement only a part of its expressed policy. For example, in 1930 the Right Hon. Prime Minister affirmed that he would place the whole responsibility of old age pensions on the federal treasury. Well, he fell short by 25 per cent. The 75 per cent that he did contribute represents such a load that I wonder whether he was justified either in making such a promise or in implementing it to the extent that he did.

The national finances are in such a serious state that the Right Hon. Prime Minister felt the necessity of reducing the federal contribution for unemployment relief. The financial situation is so critical that although in 1931 he decided to resurrect the Vocational Education Act—a measure dropped during our regime—and promised the provinces an annual contribution of $750,000 for fifteen years, he did not dare implement his promises. All this goes to show that the country is carrying a very heavy load.

The Right Hon. Prime Minister admits that measures of reform should "normally be initiated not in times of depression but in times of comparative prosperity." I am still citing his speech of January 2. It is because he chooses to affirm that we have reached this stage that he launches a programme of social reforms that may be very costly to the treasury. I leave it to honourable members to ponder whether we have returned to a state of "comparative prosperity." I am not ready to admit that we have. I should be very glad indeed if I could share his optimism, but when I study his speech of the 2nd of January I am rather depressed and inclined to take the contrary view.

Notwithstanding this serious condition of our finances the Right Hon. Prime Minister has placed in the Votes and Proceedings of the other House the following resolution:

> That it is expedient to introduce a Bill to establish an employment and social insurance commission; to provide for a national employment service; for insurance against unemployment; for aid to unemployed persons, and for other forms of social insurance and security, and for purposes related thereto; and to provide for such contributions as may be necessary to carry into effect the proposed legislation.

Well, I am quite sure that before the right honourable gentleman and his colleagues proceed further with that resolution he as a business man with some acumen will state the ways and means by which these new obligations will be met. These comprise old age pensions, sickness insurance, and unemployment insurance. I am sure that all three must be contributory. The beneficiaries themselves, represented by their labour unions, have passed resolutions asking that these be placed on a contributory basis.

When the preceding Government brought in the old age pension legislation the Conservative members in this Chamber at first balked at the financial responsibility involved, although the Federal Government was assuming but half the cost—in fact not even half, for it left the administration to the provinces. We provided old age pensions without exacting any contribution from the beneficiary. In doing that we were following what had been done in Great Britain, and when the Bill was presented in this Chamber I suggested that it was a provisional measure, the first step towards creating old age pensions. I pointed out that while Great Britain had started out in the same way, it had soon—within four or five years, I think—turned around and established the contributory system, but that we might well begin by adopting the non-contributory system, at all events so far as concerned those who were past forty. I may say I thought the provinces themselves would hasten to establish a contributory scheme. However, nothing was done; and nothing could be done after the present Government took office and declared through its head that it would take charge of the whole system.

But one need only look at the cost to the federal treasury, during the last two years, of the seventy-five per cent paid to those provinces which entered into the scheme—for a number have not yet done so—to realize that when old age pensions are taken over entirely by the Federal Government and the full cost is borne by the federal treasury, we cannot afford to continue the scheme unless it is placed on a contributory basis. I do not know exactly what form the pension for sickness would take, or what it would represent in money, but the same argument would apply.

We are told that we are to have unemployment insurance. It must not be forgotten that any scheme of unemployment insurance established to-morrow could affect only the men on the pay rolls to-day, and not those at present unemployed. The principle justifying the levy upon the employer is, I think, that he should help to maintain the men he lays off temporarily or employs only part time. An employer who under normal conditions gives work to a certain number of workmen should take care of the men he may need in a short time. It seems to me, therefore, that the scheme should be brought into being in normal times. The Prime Minister has felt that many of these schemes should be undertaken in times of prosperity. I am speaking not of prosperity, but of normal conditions, when industry is working nearly full time, because no labourer who is not on a pay roll can come under such a scheme. Industry is now proceeding in low gear, and a large proportion of men are on the dole. I feel, therefore, that this is not the time to bring this scheme into operation. Manifestly it would not help the army of unemployed, and in the present difficult situation I feel that in bringing it into effect we should be uselessly handicapping our industries, more especially those that are

striving for export trade. So I still put the question—my right honourable friend may have some light upon it which I have not: Do our finances allow of these schemes being brought into being at the present time?

I have spoken of the state of our finances. The deficit of the Canadian National Railways represents a heavy load. On the 2nd of January the Prime Minister said: "Look at our railway problem. Its solution is, I earnestly believe, a condition precedent to prosperity." Yet no mention is made in the Speech from the Throne of this engrossing subject, nor is there any indication of how the situation can be improved. In 1933 we passed an Act to bring about co-operation between the railways, upon which Act we worked diligently, in the hope that the situation might thereby be improved. But it has been practically a dead letter. The railways have been co-operating hardly at all; the machinery provided for in the Act has not even been set up, and last week in Brockville the Minister of Railways said that he really saw no solution of our present difficult railway situation. Meanwhile the taxpayer has to find a million dollars a week, or $52,000,000 a year.

Hon. Mr. CASGRAIN: You are too cheap. It is a million and a quarter a week.

Hon. Mr. DANDURAND: I say that because I have been told that the railway deficit is around $50,000,000 a year. In a financial sense, we are bleeding to the extent of one million dollars a week, yet no hope is given us by the Minister of Railways. On the contrary, he has frankly declared that he sees no solution to the problem.

The Speech from the Throne has a reference to the Bank of Canada and expresses the hope that it may regulate our credit. It is said that the Bank should prevent wild and frenzied speculation, such as reached its peak in 1929. I think we shall find that hope to be vain. The Bank of England, the Bank of France and the United States Federal Reserve System tried to restrain credit in the years before the depression, and they entirely failed. I have figures showing that the Federal Reserve rediscount rate went up from three to five per cent in 1928-29, and the interest rate on call loans from 4·05 per cent in 1927 to 9·23 per cent in 1929. Yet the stock exchange loans expanded from $3,642,000,000 in 1927 to $4,837,000,000 in 1928 and to $7,474,000,000 in 1929. Loans are down to-day to $876,000,000. These figures go to show that a high rate of interest does not deter speculation. When profits are in sight, or seem to be in sight, people will borrow money even though the cost is high. It seems to me that remedies should be sought elsewhere. Since our Prime Minister has been turning southwards for inspiration, I wonder that he did not borrow from President Roosevelt's legislation to cope with the stock exchange and surround the speculator with some safeguards.

This reminds me that in July, 1933, there was a flurry on the stock exchange. Was that due to the repeal of the prohibition law? I do not know, but in any event there was a flurry and immediately speculators jumped into the market and stocks started to move upward. That condition did not last long, but it continued long enough to cause people all over the world to believe that there was apparently a material recovery in New York. However, it was soon generally recognized that prosperity had not yet turned the corner. I saw a newspaper dispatch, whether from the other side of the ocean or this I forget, which contained what was perhaps a facetious remark by our Prime Minister. He was quoted as asking, "Why don't they close the New York Stock Exchange?" Well, many people have been asking if that was not the very point at which speculation could be curbed. I am not disposed to be very radical, yet I believe something should be done, perhaps along the line of Mr. Roosevelt's legislation, to cope with the excitement and the allurements of the stock exchange.

The principal reason given for the creation of the Central Bank was the expectation that in matters of exchange, which means foreign exchange, our monetary unit could be more easily stabilized. To what extent and to what advantage, and at what cost, the future only can tell. Can the Bank of Canada expand credit? Not more so, I believe, than has been possible under the Finance Act which we have had in this country since 1914. Everyone who has read addresses of bank presidents at recent annual meetings knows of their complaint that business men have been limiting their borrowings to actual needs and that the banks have had to resort to the purchase of bonds and debentures. People cannot be forced to borrow money that they do not require, and at the present time firms will not make purchases simply for the pleasure of adding to their stocks. They consider everything very carefully before they make any move towards expansion, and quite logically so.

My honourable friend from Ottawa East mentioned the fact of negotiations between the United States and Canada for the exchange of commodities. That indicates the possibility of a reciprocity convention. I frankly confess I did not think I should live long enough to see the Conservative party

gleefully announcing that it was seeking to make reciprocal arrangements with the United States. In 1911 we had an arrangement in black and white, the Taft-Fielding agreement.

Hon. Mr. POPE: It was too black.

Hon. Mr. DANDURAND: I do not hear my honourable friend.

Right Hon. Mr. GRAHAM: He means it was too good.

Hon. Mr. DANDURAND: We had that convention. It covered natural products, and was along the same lines as the treaty of 1854-66, which brought such prosperity to Canada that Sir John A. Macdonald never ceased looking towards Washington in the hope that the agreement would be renewed. He sent delegation after delegation. And when in 1878 or 1879 he brought forward his National Policy of protection, there was an annex to the Bill which stated that when the United States would signify its readiness to exchange products specified in the list—which was the same list as in the old treaty—the Government of Canada would by Order in Council do likewise. To everybody's surprise Congress ratified the proposal, and that ratification remained for years on the statute book of the United States. In fact I had occasion to state in this Chamber that in 1913, when leaving for Washington, I was requested by Sir Wilfrid Laurier to see President Wilson and ascertain whether he was favourably inclined towards the policy contained in the convention, and, if so, not to withdraw it, because he, Sir Wilfrid, intended at the following election to submit the treaty again for endorsation.

We are apt to see the sins of our opponents more clearly than our own, and I suppose it may be readily admitted that no one is infallible; but I dare any honourable member to say that it was not a grievous error to reject the reciprocity treaty of 1911. The objection then made to it was that it could be abrogated by the United States within six or twelve months. The Government is trying to negotiate another convention. I shall be very much surprised if it comes up to the level of the convention of 1911. I hope we shall live long enough to see the results of the negotiations, but I submit the 1911 arrangement as the standard for the next convention. And any convention, according to the powers given to President Roosevelt, can last only three years. Surely the convention of 1911 might have lasted as long. But it is useless to cry over spilled milk, and those familiar with circumstances may not be ready to forgive the Conservative party for its actions in 1911. I hope it will redeem its reputation by succeeding in negotiating as good a convention as Mr. Fielding obtained in 1911.

The other measures promised in the Speech from the Throne I need not discuss at the moment, for when the bills come before us they will be examined on their merits. I simply draw the attention of my honourable friends facing me to the fact that the old Conservative party may perhaps have sole responsibility for implementing whatever radical legislation is brought before us. We used to speak of our friends opposite as members of the Liberal-Conservative party, resulting from the coalition of 1864 between the French-Canadian Liberals and the old Tory party of Ontario; but now I wonder if I am not facing the Radical Conservative party.

Right Hon. Mr. MEIGHEN: Honourable members, I am quite as prepared as I shall ever be to proceed with such remarks as seem to fit the moment, but I understand the honourable senator opposite has a certain engagement to-morrow which would make it convenient for him to speak now. If that be the case, I would ask that the usual order be departed from at this time, and that the honourable member speak at such length as he may choose to-night, and finish to-morrow. Then we shall go on in the regular way.

Hon. J. P. B. CASGRAIN: Honourable members, I desire to thank the right honourable gentleman who leads this House with such ability and distinction for the great favour he is doing me. I happen on this particular occasion to be in opposition to both my own leader in another place and to the Right Honourable Mr. Bennett. Apparently they are both in favour of government ownership, and my remarks will be directed against public ownership.

Hon. Mr. DANDURAND: As a matter of fact I did not speak on public ownership.

Hon. Mr. CASGRAIN: I do not believe in public ownership, whether municipal, provincial or federal. I am against it from the drop of the hat, and always have been. I think it is no good. It never has been any good and never will be. That is my opinion, but no one need follow me. It is not the first time I have been all alone in this House in the stand I have taken, but I have usually found that afterwards some honourable members came around to my point of view.

According to well established practice, I desire to congratulate the mover of the

Address in reply to the Speech from the Throne, the honourable member for Ottawa East (Hon. Mr. Coté). It is nothing new for me to listen to him. I have heard him in the Legislature at Toronto. As usual, he made a very able speech in impeccable French. But it seemed to me that he felt he was fulfilling a rather thankless duty. However, I suppose he is a little confused by the Conservative party becoming mixed up with Socialism and Communism, and consequently his heart did not seem to be in his task.

I congratulate the honourable member from Saskatchewan North (Hon. Mr. Horner). The burden of his remarks seems to be that the farmers have lost a lot of money through high pressure salesmanship. Well, Western Canada had no monopoly of that; we had it too, in the East.

Now, honourable members, if I speak at some length to-night I cannot help realizing that this month I have been thirty-five years a member of this House. To-day there is only one face that was here when I entered the Senate. According to all the rules of probabilities, this may be my swan song.

Some Hon. SENATORS: No, no.

Hon. Mr. CASGRAIN: Therefore I crave indulgence of honourable members if I speak at length. I like the atmosphere of this House. As I have said, I have been a member so long, and I have always felt at home here. At the time of my appointment the Hon. David Mills was leading the House, and of course he was in duty bound to present me. But I had an uncle, Dr. Casgrain, of Windsor, Ontario, and he said to me, "I should like to introduce you." I said, "I shall be only too glad, but I will ask Mr. Mills." Mr. Mills was quite agreeable to the proposal. Dr. Casgrain was a Conservative, but he introduced me to the Speaker—also my uncle—Sir Alphonse Pelletier. Naturally, I felt quite at home. I had heard of the Family Compact before, and I had never been opposed to it. It was only those who were not in it who were against it.

As I walk around these halls I see the portrait of my great grandfather, the Hon. James Baby. On the recommendation of Colonel Simcoe he was appointed a Legislative Councillor by the King, and a member of the executive of the province of Ontario. It might be of interest to this House to know that he, I believe, holds the record for length of tenure of office as a member of the executive. Some people in Ontario might think it strange that a French Canadian should hold a portfolio in that province longer than anyone else. He was appointed in 1791 and died in 1833 in York, having held office for forty-two years. I am not aware of anyone else who, without a break, held a seat in the Legislative Council and was a member of the executive for so long. When he was buried in 1833 there was only one paper in what is now Toronto. It was called the Correspondent. That paper stated that his funeral was the largest ever witnessed there, and the most respectable.

Before he passed away his son-in-law, my grandfather, the Hon. Eusèbe Casgrain, had become a member of the House of Assembly of Lower Canada. He remained a member of that House from 1832 to 1848. For a while after 1840 it was very doubtful whether we really had responsible government; it was the Governor who made the principal appointments; and this grandfather of mine was made the first Commissioner of Public Works for Lower Canada. I ask the House to pardon these personal references, as this is the first time in more than a third of a century that I have had occasion to make them. I have a purpose in so doing. As I have said, the Hon. Charles Eusèbe Casgrain died in Montreal in 1848. My own father was elected to Parliament in 1872, and remained till 1891. Then the Hon. T. Chase Casgrain, Attorney-General for the province of Quebec for many years, came to Ottawa in 1896, and was Postmaster General when he died here in 1918. But the Casgrains are still going strong. In the other House the chief Liberal whip is Pierre Casgrain, who has been a member for seventeen years.

On my mother's side Joseph François Perrault was elected in 1796 as member for Huntingdon. In those days that constituency comprised Huntingdon, Chateauguay and La Prairie. Again, strange as it may seem, in those days some members of Parliament were also in the Civil Service, and upon looking up the old books in the Library you will find that in the year one thousand seven hundred and ninety-something this gentleman was drawing £4,000 in Canadian currency. J. X. Perrault was the member for Richelieu, and to my great surprise, on one occasion, my youngest son, who was then studying law at McGill, was given as a model to learn by heart a speech against Confederation made by this same J. X. Perrault.

All this explains, honourable gentlemen, why I am such an ardent Imperialist. When one's family has served king and country for one hundred and forty-four years almost consecutively, and sometimes simultaneously in Parliament, in the Army and in the Civil Service, especially when one is of my race,

he would indeed be ungrateful if he were not the ardent Imperialist that I am.

Now, why am I opposed to public ownership? That is the question. Private enterprise is based on individualism; public ownership on Communism. Take our Canadian National Railways for instance. If that is not an example of Communism, tell me what Communism is. Under Communism we should all be equal and all initiative would be destroyed. If all were equal, who would want to study? Who would want to work when the lazy man and the lubber would be on the same footing as every other man? I am opposed to Communism because it is an absurd system. It has never worked and never can work; nevertheless, we seem to be approaching it very rapidly just now. I am surprised at this. In days long gone by, my family flirted a little with the old Tory party, but I never thought the day would come when I should see such things as I see now. From listening to the radio one would get the impression that the Tory party is headed towards Communism. It is doing all sorts of things to-day that it was opposed to in the past. For instance, we actually have our national brother-in-law in Washington advocating reciprocity, although I still have ringing in my ears the words, "No truck nor trade with the Yankees. Let well enough alone, Wilfrid Laurier." What do we hear to-day? "Let bad enough alone, R. B. Bennett. Let bad enough alone."

If all were equal, of course there would be no profit. Public ownership takes away all hope of gain. Basically, it is a false, reactionary and dangerous doctrine. We hear the cry: "Ruin the millionaire. Do away with capitalism." Well, honourable gentlemen, who is going to pay the wages if there is no more capital? That is a question you must think about. If there is no more capital there will be no more wages for anybody. In Russia there are no wages, if that is what you want. There, instead of wages you are given a ticket, and with it perhaps you can get a loaf of bread, or a pound of butter, which costs $2. I do not know whether honourable gentlemen have read in the paper of the return of a certain man to Sault Ste. Marie. He was inclined to be a Communist. He went to Russia and stayed a couple of years. Then he said, "The wages are very good, but no matter how good they are you have to pay $2 for a pound of butter, and there is no hope of getting on." So he came back to Sault Ste. Marie, and as he was a good worker he got his old job back and now he is done with Russia.

I will point out some of the misdeeds of public ownership. The province of Quebec is fortunate, because it got bitten early. The Quebec Government got the bright idea of building a railroad from Quebec City to Ottawa and putting Montreal on a sidetrack. The railroad was built at a cost of $14,000,000. I see the honourable senator from Grandville (Hon. Mr. Chapais) smiling. He remembers what took place and what scandals were connected with the affair. That was public ownership. Why was that line run straight from Quebec to Ottawa, with Montreal on a siding? I do not know whether this House has ever heard it, but the explanation was, nothing but politics. The Hon. Rodrigue Masson was the member from Terrebonne at Ottawa, and Hon. J. A. Chapleau was Prime Minister of the province. They wanted the railroad to pass near the manor-house of the Masson family, and so the railway ran down to St. Vincent de Paul on its way to Ottawa. There was a siding to Montreal running down to Rivière des Prairies, then up over the summit of Ile Jésus, then down to the Back river, then up again to the summit of the Island of Montreal, and finally down to Place Viger station. It was a regular scenic railway. Yet, as I pointed out to Mr. Fullerton, the road could have been run on a water level grade from Montreal to Quebec. Trains are still being run up and down those steep grades, as they have been for fifty years, all on account of politics. That is one example of public ownership. It happened to be a Conservative Government which was responsible in this case.

When people are determined to get a thing they will not listen to reason. That Quebec railroad could never be made to pay, but the Government went ahead with it. They lost money on it every year, and then there was tremendous pressure brought to bear on the Canadian Pacific, which was forced to buy it for $7,000,000. As I have said, the road cost $14,000,000. All this may be ancient history, but public ownership was no better fifty years ago than it is to-day. The railroad had previously been sold to L. A. Senecal, who thought he was going to make a lot of money out of it. Hon. T. Chase Casgrain made a fight about that incident, but it went through just the same. Senecal could not make it pay, as it was a political affair, and the Canadian Pacific took it.

On that deal the province of Quebec lost $7,000,000, but it was a blessing in disguise. Just as a child who gets its fingers burnt on a red hot furnace stays away from the fire

in future, so the people of Quebec will have nothing to do with public ownership. Everybody from Prime Minister Taschereau down is against it.

Let us look at Western Canada, where the seconder of the Address (Hon. Mr. Horner) comes from. They had a bright idea about public ownership out there too. Mr. Sise installed a telephone system in Manitoba, Alberta and Saskatchewan and was sorry that he ever did it. The customers were so far apart, and so many poles and so much wire were necessary in order to reach them, that the affair never paid. Then there was a move to nationalize the system and this was carried through. Mr. Sise was very glad to sell it, and if the purchasers had been good bargainers they would have got it for nothing, for it was no asset to the Bell Telephone Company. Is any honourable member from Alberta here who can tell us how much the province lost on the telephone system last year? The farmers need rapid means of communication, and so the necessary equipment was offered to them at a very low figure. I am told that the price they are charged for a complete pole, with all the wire and other paraphernalia, is thirty cents. Is there anyone here from Alberta to contradict that? And what has been the deficit? And who knows what the deficit has been in Saskatchewan? Of course that province is so big that it does not mind deficits at all, for it knows that the rest of the country will pay them.

In Manitoba they had another public ownership scheme. Banks would not give accommodation, would not lend money without security. Some people do not seem to realize that the banks themselves have no money, that they are but trustees for the funds of depositors and cannot lend money without some guarantee that it will be returned sooner or later. Well, the people decided they would have a bank of their own; so they established the Province of Manitoba Savings Bank. Citizens made deposits to the tune of $14,000,000 and promptly borrowed that money back again. And the loans were made, not as they would be from an ordinary bank, but on long terms. The Prime Minister of this country did one good thing when he saved their money for those depositors, for otherwise they never would have had a dollar of it. When there was a danger that everything would be lost the Prime Minister called together the bankers—the very men who had been abused by the promoters of this bank—and asked them if they would take over among themselves, proportionately, whatever there was remaining of this bank and give the people their money. Those horrible bankers who are being denounced for refusing to give accommodation to the West were the very ones who prevented the depositors of Manitoba from losing every cent of that $14,000,000.

Right Hon. Mr. MEIGHEN: Was it not the Government of Canada which stood behind the banks and asked them to give the credit?

Hon. Mr. CASGRAIN: I am giving the credit to the Government of Canada. But the banks put up the money.

Right Hon. Mr. MEIGHEN: That was not very hard to do, on a Government guarantee.

Hon. Mr. CASGRAIN: I will give credit to anyone who helps people to get out of public ownership; because so long as they are in it they are in a bad fix.

Now take the T. and N. O. Railway. I had been all over northern Ontario before the railroad was there, and I have been there since. I know the country well. If ever there was a place where a railroad should have paid it was from North Bay to Cochrane. But again we see what public ownership has done. The Liberals of Ontario, under Hon. George W. Ross, had a bright idea in this case. Perhaps the right honourable gentleman to my left (Right Hon. Mr. Graham) started the thing.

Right Hon. Mr. GRAHAM: I would have, if I had had the power.

Hon. Mr. CASGRAIN: That railroad received from the Federal Government $300,000 a year for running rights. The line was constructed through a rich mining and agricultural country. I speak from personal knowledge, for I laid out the township at the first crossing of the Blanche river. Besides the freight from mining and agriculture, the pulp industry afforded a substantial revenue. A train of from fourteen to sixteen cars loaded with paper left Iroquois Falls every night for North Bay, where it was broken up, some cars going east to Montreal, some south to Toronto, and some to the West. If that railroad had been in the hands of a private company it would have been a very profitable undertaking. But government operation! We have read in the papers that the railway management gave a ball and a dance—what they did besides we do not know. That is not the way to run a railroad. When I ran a railroad I can assure you we gave no balls nor dances.

Now I come to the Hydro-Electric Power Commission of Ontario. I am pleased and honoured to have our distinguished leader

present, and should he question any of my statements I shall be glad to accept any explanation he may give. The Hydro debt is $285,000,000. That is "some" debt. As the Ontario Government is responsible for it, it swells the provincial debt to $572,000,000. That is "some" debt also. Let me remind honourable members that the Hydro-Electric Power Commission of Ontario has had no competition. At first it came in like a wolf in sheep's clothing: it wanted only a little power to operate the Toronto street railway. The Ontario Power Company was said to be charging too high rates for power. The Commission was not going to interfere with any of the private companies. Oh, no! But what happened? Is there one private power company in existence to-day in Ontario? Not one of any size. In the Niagara district there is a greater intensity of power distribution than in any similar district in the world. Of course, I am not speaking of great urban centres like New York, London, Chicago. Do honourable members know that right now in Toronto consumers of electric power are using $2.50 worth as against $1 worth in Quebec? I have proof of that statement. The consumption of electricity is two and a half times as much throughout the Niagara Peninsula as in any district in Quebec. It has us beaten to a frazzle. But the Niagara Peninsula is favoured. It is the garden of Canada, and there is no better section of country in the Dominion. It stands to reason that when the territory is not extensive the sale of electricity pays better, because the cost of distribution is less, and so on. Yet I am told that last year the Hydro-Electric Power Commission had a deficit of $3,000,000.

When I entered this House there was no question of public ownership, and things were going on pretty well. Sir Clifford Sifton brought all sorts of people from south-eastern Europe to our Northwest and the shipping and railway companies were glad to have them as passengers. Those settlers were given free land, and then seed grain. Well, they thought, "This is a fine country; we get everything for nothing." Naturally, they kept on asking for more favours, and eventually they induced the provincial governments to give them railway facilities. To-day the province of Saskatchewan, with a population less than that of the city of Montreal, has one and a half times more railways than the whole province of Quebec. Who paid for them? Ontario and Quebec.

Hon. Mr. HORNER: Not at all.

Hon. Mr. CASGRAIN: Under the actuating influence of the provinces of the West and of Ontario, the Federal Government nationalized the railways built by Mackenzie & Mann. Last year that enterprise announced a deficit of more than $64,000,000, and that without taking into account the sums lent by the Dominion Government. Had these loans been incorporated in the report, the total deficit would have exceeded $100,000,000.

After this short account it must be admitted that nationalization or public ownership in Canada shows disastrous results.

Now let me deal with the operating of public utilities by private companies. Those companies have developed public utilities with capital provided by their shareholders, and without binding the Government to any future responsibility in connection with their undertakings. The capital was supplied because the shareholders had faith in the promoters and hoped to draw from their investments revenues sufficient to compensate them for the risks incurred. Many of those companies have disappeared, but not a penny has been lost by the Government.

Nationalization, or public ownership, retards human progress, suppressing individual initiative and destroying all hope of gain. The private company, on the contrary, has furthered, without respite, the intensification of personal energy, and, thanks to its system, it has accomplished the miracle of human progress in every field.

To nationalization—public ownership—failure is reserved because it is based on an absurdity; to the private company success is bound to materialize because its system leans on a human sentiment, that is, the desire of gain. When there is no gain nobody is very much interested. Private companies must satisfy their consumers and their shareholders. Nationalization—public ownership—on the contrary, looks to the electors, and deficits are charged to the communities. Private companies pay municipal, provincial and federal taxes; nationalization—public ownership—pays nothing.

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

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

THE SENATE

Wednesday, January 23, 1935.

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

Prayers and routine proceedings.

REPORT OF COMMITTEE OF SELECTION

Right Hon. Mr. GRAHAM presented the report of the Committee of Selection, and moved concurrence therein.

Hon. Mr. DANDURAND: I suggest that the names be not read at the table. There have been only two or three changes in the whole list. I wonder if it is necessary to read them.

Right Hon. Mr. MEIGHEN: I do not think I could give the changes accurately, but I fancy the Chairman of the Committee could, and that would be all the House would wish.

Right Hon. Mr. GRAHAM: The changes are largely due to the passing of Senator Rankin and Senator Wilson.

Right Hon. Mr. MEIGHEN: And the absence of Senator McLean.

Right Hon. Mr. GRAHAM: And the absence of Senator McLean. Certain adjustments had to be made.

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. J. P. B. CASGRAIN: Honourable senators, when I was politely invited last night to adjourn the debate, which meant to stop talking, I was just about to draw a parallel between the careers of Sir Wilfrid Laurier and the Right Honourable Richard Bedford Bennett. It is strange how the careers of these two eminent men have paralleled each other in the twentieth century—which Laurier said would be Canada's century, as the nineteenth had belonged to the United States. Both men became outstanding lawyers, and had they adhered to the practice of their profession they perhaps would have been the brightest legal lights in Canada. They preferred to serve their country. However, that does not mean that they neglected the practice of law in their younger days. Nature seems to have lavished on these two men all its greatest gifts, both mental and physical. Everyone who saw Sir Wilfrid Laurier will admit that no one had a more dignified bearing than that man, who was born in Saint Lin, a humble village in the province of Quebec. He had a distinguished appearance, which is very useful for one who aspires to be chief or leader of a party, because before a leader is known he is seen, and if he has a poor appearance his work will be much more difficult. Of course there are exceptions. Nobody would say that Napoleon was not a great man, yet he was small physically. And in recent times Dolfuss of Austria, who became a very prominent statesman, happened to have an unusually small body. A great deal of prestige goes with a fine presence.

As I have said, both Sir Wilfrid Laurier and Mr. Bennett became eminent at the Bar. When Mr. Laurier, as he was then known, would come to Quebec to plead before the Court of Appeals, all the members of the legal fraternity who were free—and in the province of Quebec there are many lawyers who have free moments—

Right Hon. Mr. GRAHAM: If they are not otherwise free.

Hon. Mr. CASGRAIN: They would come there to admire Mr. Laurier's speeches. Needless to say, he nearly always won his cases. He practised at law because it was necessary for him to make a living. The present Prime Minister of Canada was no mean lawyer either. Clients who went to the firm of Lougheed and Bennett would see about eighty persons in the office, including stenographers, bookkeepers and lawyers. There was really mass production of legal documents in that office. Hon. H. H. Stevens might have had an inquiry to see whether the firm charged proper rates to their clients and also whether they paid fair wages.

I think the Right Hon. Prime Minister himself would be the first to acknowledge that Sir Wilfrid Laurier was his superior in the principles of Roman law; but with respect to commercial law there is no doubt that the Right Hon. Richard Bedford Bennett could have given cards and spades to Sir Wilfrid Laurier.

Both were eloquent, each in his own style, and many admirable speeches delivered by them in the other House can be found in the Commons Hansard. To my mind the best speech I have ever read was made by the present Prime Minister when for four and a half hours he spoke against the Government making a $45,000,000 loan to Mackenzie & Mann on the security of their rotten stock. At that time the member for Calgary was a young man of fine physique. He could have turned the heads of all the ladies of Ottawa —had he wanted to. The invigorating air of Calgary, situated 3,600 feet above sea level, had filled him with ozone and pep. If at that time Parliament had heeded him and the honourable member for Kingston, Mr. W. F. Nickle, and me, the country to-day

would not be confronted with a railway problem. There would not be a railway debt greater than the national debt. But Parliament ignored us.

When the present Prime Minister was in opposition I met him one day on Parliament Hill with the Hon. Mr. Rhodes, who was then Premier of Nova Scotia. As we stopped to pass the time of day, I said, "Well, how is the Premier, and how is the one who wants to be Premier?" Bennett turned to Rhodes and said, "You told me at the time I would be ruining my political career if I took that stand." Undoubtedly he displayed great courage in the course he had taken. No matter what political differences we may have, I admire that man for being brave enough to speak and vote against his party in support of what he thought was right. And so with Hon. W. F. Nickle. He is a man of high principles. When he was Attorney-General in Premier Ferguson's Government, and it was decided to introduce legislation for government control of the sale of liquor, Mr. Nickle disagreed with the policy and stepped out.

An Hon. SENATOR: He was not worth a nickel.

Hon. Mr. CASGRAIN: He was not worth a nickel? Oh, yes, he is a credit to the public life of the Dominion.

I can never forget the dignity and charm of Sir Wilfrid Laurier. At a garden party at Buckingham Palace we ordinary people entered by a side gate, but Sir Wilfrid Laurier was driven through the royal entrance. On the grounds—I think my honourable friend beside me was there on that occasion—is a wide stone piazza which, as a surveyor, I estimate to be about 150 feet long by 50 or 60 feet wide and about 4 or 5 feet above the level of the lawn. When Sir Wilfrid arrived, perfectly dressed by an English tailor in a grey Prince Albert suit—perhaps even better tailored than that worn by King George himself—he looked every inch a prince. A bevy of princesses and duchesses surrounded him. But he did not appear to be phased at all; he regarded them with great condescension and he nodded, turning round the while, in the royal manner, so that everybody might think, "Sir Wilfrid is looking at me." There were very few men present. The bevy of exalted ladies in their beautiful Paris gowns were there to be admired, and they were only too glad to pay homage to Sir Wilfrid Laurier. By some strange coincidence the English ladies get their gowns in Paris, while all the swell members of the French Jockey Club go to the London tailors for their clothes.

The previous night I had attended a dinner at the Hotel Cecil given by the Hon. Mr. Brodeur. Lady Aberdeen was one of the guests. After dinner Sir Wilfrid Laurier beckoned to me. On my reaching his side he said: "You had better get back to Canada. We are going to have a general election." I exclaimed: "A general election! What for? You have a majority of forty in the House of Commons and two to one in the Senate. The country will say, 'What is the use of giving him a majority? He cannot carry his measures through Parliament.' You might just as well say you are sick and tired of being Prime Minister and retire." He turned to Lady Aberdeen and said, "Aren't we having trouble with our Upper Chambers!"

I shall always recall that memorable afternoon when Hon. W. S. Fielding anounced to the House of Commons that a treaty of reciprocity had been signed between the United States and Canada. On the Conservative side, as on the Liberal side, there were cheers from everyone. The only pessimistic man that night was your humble servant. I remember Senator Gilmour said, "With that policy Sir Wilfrid Laurier will be able to get what Sir John Macdonald and Sir Charles Tupper and other Canadian statesmen after them have failed to secure." He was enthusiastic, but I was not responsive.

At that time we had on the Senate side room 17. It used to be called the "power house" because several senators met there, and the way they went the Senate generally went too. It was like the Family Compact —those who were not in it were against it. Senator Melville Jones was not one of the regular frequenters of room 17, but he came there while they were all rejoicing. I was regarded as the only one who was wrong in my opinion. Sir Melville said, "Look here, we are going to carry Ontario." I said, "I'll bet you a dinner Laurier will be beaten." And he was. I am saying this merely to give confidence to those who are good enough to listen to me.

Hon. Mr. DANDURAND: Hear, hear.

Right Hon. Mr. GRAHAM: Faith!

An Hon. SENATOR: Who is right now?

Hon. Mr. CASGRAIN: You can draw your own conclusions. Laurier was defeated on the reciprocity issue. What will happen to the other fellow who tries that game? Reciprocity was first discussed when Lord Elgin went to Washington. He was a rollicking good Englishman, a fine statesman, and very much in sympathy with our province. The Tories of Montreal rotten-egged him.

the representative of the Queen. That was when they signed their historic manifesto. But that has nothing to do with the subject of reciprocity. The cry in the country was, "Don't have reciprocity, Laurier! Let well enough alone!" There is a cry in the country to-day, "Bennett, let bad enough alone!"

As I shall not be here when he speaks, I shall send this book across the floor to my right honourable friend (Right Hon. Mr. Meighen). There are charts and graphs in it which will enable him to check up what I say. I always think a speech is like a mustard plaster—it must draw. If it does not draw some uncharitable remarks from opponents, it is no good.

I am against government ownership. My contention is that private companies are better managed, and in most cases give lower rates than do government undertakings. The book that I have just passed across the floor proves this—to my satisfaction anyway.

In 1923 there were in the United States 3,066 municipalized electric companies. That means that they were publicly owned. Only seven years later that number had been reduced by thirty-seven per cent. In other words, 1,129 of these enterprises had given up and were a total loss to the municipalities.

The science of electricity is a comparatively new one, and constant transformations are necessary to its further development. These transformations are costly, and the salaries of the experts who conduct the necessary researches and experiments represent a large sum of money. Nationally owned enterprises when deciding on the scale of rates to be charged do not and cannot provide for this contingency; consequently there is bound to be either an increase in rates or taxation. Public ownership is erroneous in its conception, defective in its management, and carries within itself the germ of its own destruction. It is regarded as absurd by all right-thinking people. It remains the attribute of publicity-seeking politicians or ambitious governments whose only wish is to grow rich at the expense of the masses.

There is an idea abroad that water costs nothing. That is another fallacy. True, it costs nothing as long as you do nothing with it, but simply allow it to run over the falls; but the minute you commence to develop power from it you must pay a royalty to the province. Take the case of the Beauharnois for instance. This year the Beauharnois Company will develop 500,000 horse-power, and the Quebec Government will get a dollar for every horse-power developed. That means that $500,000 will go to the Government from a private company. If Taschereau were operating the Beauharnois himself he would not get a cent out of it. When the project is fully developed and the Cedar rapids, where there is a drop of forty feet, are closed up and the water is sent around the other way, where there is a drop of eighty feet, the quantity of power developed will be just double. The ultimate development at Beauharnois will be 2,000,000 horse-power. That quantity is not wanted now—though the Ontario Hydro took some 250,000 horse-power which it did not need, and which it has had to sell at a great reduction. But when the 2,000,000 horse-power is developed at Beauharnois, the province of Quebec will receive from it a revenue of $2,000,000 a year.

The cost of water is only a small proportion of the cost of producing electrical energy. Whether you use coal to generate your power or do it otherwise depends upon where you are situated. If you are in New York, for instance, and want to bring power from this development, the expense involved in the erection of transmission lines from the St. Lawrence to New York and in tapping them would enter largely into the cost. Then there must be two lines, one bending westward and the other eastward, to pick up any business that may be secured along the route. The United States' share of power would be one million horse-power. Well, there are steam units in New York that develop more than one million horse-power much more cheaply than power can be brought from the St. Lawrence. They are even developing power with oil. Still, the politicians who want to make trouble go around the country and say that water costs nothing, and ask why so much should be charged for electric light.

I am very glad to have the honour of speaking before the right honourable gentlemen (Right Hon. Mr. Meighen), because he was connected with the Ontario Hydro for some time. He knows very well that I am speaking only in the public interest, and have no grudge against him. Quite the contrary is the case. I want to thank him for giving way so that I might have an opportunity of speaking before leaving to catch my train.

When the Queenston-Chippewa power development was commenced it was supposed to cost $10,000,000, but the final cost was $150,000,000. The figures are there and can be verified. That is public ownership.

Right Hon. Mr. MEIGHEN: The honourable member is just 105 per cent out.

Hon. Mr. CASGRAIN: I am sorry if I have been wrongly informed.

Right Hon. Mr. MEIGHEN: It cost $70,000,000.

Hon. Mr. CASGRAIN: Then the book that I gave the right honourable gentleman is not right.

Right Hon. Mr. MEIGHEN: It is your book.

Hon. Mr. CASGRAIN: I did not write it. In any event, supposing it cost $150,000,000—and I have seen it so stated in print many times—the Hydro is selling power at $25, $40, and $72 per horse-power. The private companies of Quebec paid in taxes last year $3,088,285. That money fell into the tills, some into the federal till, some into the provincial till and perhaps some into municipal tills. But if the private companies were wiped out, who would pay that three millions dollars? Not public ownership, because that pays nothing. The Hydro purchased from the Gatineau Power Company 250,000 horse-power, if I am right, and from Beauharnois 240,000 horse-power at a rate of $14. Of course I always speak subject to contradiction by the right honourable gentleman opposite. Those purchases were in themselves an admission that private companies could manufacture power more cheaply than Hydro or other public commissions, because if the Hydro could make it as cheaply why did it not do so?

Mention of Beauharnois reminds me that we had an inquiry here and one senator lost his seat. I am afraid he has had a lot of other trouble as well. According to evidence presented to a committee at that time, Dominion bonds to the value of $125,000 were given to a man named Aird, who I think is a son of Sir John Aird, President of the Canadian Bank of Commerce. Mr. Aird said he never parted with those bonds. But it was found, according to my information, that his bonds did not bear the same numbers as were on the bonds that Mr. Sweezey gave him. How they could have shed their old numbers and got new ones in the meanwhile I do not know. It is very surprising. I do not want to say anything disagreeable, so I will let that drop.

Right Hon. Mr. MEIGHEN: That was private ownership, the Beauharnois.

Hon. Mr. CASGRAIN: Yes, but whom did they give the money to?

Right Hon. Mr. MEIGHEN: A private party.

Hon. Mr. CASGRAIN: And where was the sale made? To the Hydro. Do you think a private company would have paid that? If the board of directors of a private company paid anything like that, they would be put out of office at the next meeting of shareholders.

Right Hon. Mr. MEIGHEN: Why?

Hon. Mr. CASGRAIN: Because the power was not needed.

Right Hon. Mr. MEIGHEN: The honourable gentleman does not know what he is talking about.

Hon. Mr. CASGRAIN: The Hydro did not need all that power and does not need it all to-day. Mr. Hepburn says that they have more power than they need to-day.

Right Hon. Mr. MEIGHEN: He does not know what he is talking about, either.

Hon. Mr. CASGRAIN: We will leave the Hydro and pass to another experience in public ownership. There is a lovely part of the country comprising Windsor West, Sandwich East, Sandwich South, Gosfield North, Gosfield South, Essex, Kingsville, Leamington and Windsor. Those municipalities conceived the bright idea that they would incorporate a holding company to buy out the Windsor, Essex and Lakeshore Company, which operated an electric railway. I want honourable members to listen carefully to this, because it is one of the best parts of my speech. The municipalities realized at the outset that they would need some money, so they went to the banks to borrow the sum of $1,000,000. The banks said they could not lend that without some security, and the municipalities had to deposit $1,100,000 of their own debentures as a collateral guarantee. As the enterprise declined, the company, finding itself unable to meet an obligation of $300,000, transferred its property to the Hydro. I may tell you, in parenthesis, that it owed the Hydro money it never paid, for power. But this was a public ownership business. The Ontario Hydro-Electric Commission, which had not been able to collect for electric power furnished, decided to operate the railway on its own account. But it did not operate that very long. It found that there was deficit after deficit; so it scrapped the whole thing, and there it is to-day. The rails are there, but nothing goes over them and nobody even bothers to pick them up.

The Hydro suffered a loss of credit and the outlay disbursed in connection with the operation of the railway, but the municipal corporations are responsible in the last resort and they will have to pay both the capital and the interest represented by the debentures, which I will now enumerate:

Windsor West	$ 55,657
Sandwich East	56,882
Sandwich South	44,365
Gosfield North	104,463
Gosfield South	138,203
Essex	81,297
Kingsville	105,390
Leamington	159,254
Windsor	354,508
	$1,100,019

And they have nothing to show for that sum except the interest coupons that they will have to pay yearly, and will probably have to go on paying for ever and ever. It is no wonder that these municipalities are in trouble, since they went into the public ownership business. If they had left that alone they would have been all right. Mr. Graustein, of the International Paper Company, sells power at $14 per horse-power but he buys it for much less. My information is that he gets it for $3. I may not be right, but I am stating what I have heard and found and read.

Private companies are accused of making enormous profits. Well, anybody who has stock in private companies just now knows how much profit they are making. Nationalization means the disappearance of private companies. I may say that when the Hydro was started Ontario had a Liberal Government, of which I think the right honourable gentleman from Eganville (Right Hon. Mr. Graham) was a member. Hon. George W. Ross was getting pretty shaky. Although they still had the right honourable gentleman from Eganville, the Liberals were becoming weaker while the Conservative party was becoming stronger under the leadership of Sir James Pliny Whitney, who made good after a while. I remember that the honourable senator from Eganville used to say that when Sir James came to Morrisburg he would walk around and ask people if he had any right to sleep in the town that night. That is a long time ago.

Right Hon. Mr. GRAHAM: My memory is not as good as the honourable gentleman's.

Hon. Mr. CASGRAIN: Hon. George W. Ross went before the province, after having announced his policies regarding Hydro, and was defeated. But Sir James Pliny Whitney thought there might be something in the thing. He believed the people would take kindly to it, to the spending of money, and so on; so he consulted his colleague Adam Beck and gave him carte blanche. Beck was a very clever man. He engaged good engineers, and told them that when they made an estimate they should not make it too high. For instance, the right honourable gentleman has just admitted that the first estimate for the Queenston-Chippewa development was $10,000,000.

Right Hon. Mr. MEIGHEN: I never admitted that.

Hon. Mr. CASGRAIN: The right honourable gentleman said it cost $70,000,000. Well, those engineers were a little out in their figures. The Hydro-Electric Power Commission was not going to hurt the private power companies. Oh, no! It was only going to supply power to operate the Toronto Tramways, because, it was objected, the Ontario Power Company was charging too high rates. That is all the Commission was going to do. All it was going to do! I do not think today you can name one private power company of any size operating in Ontario: the Commission wiped them all out.

Australia had a similar experience with respect to her railways. About the time the Government took over the Canadian Northern Railway a Cabinet Minister from Australia was passing through Montreal. I happened to be sitting next to him at luncheon at the Reform Club. He said to me, "I see you have taken over a railroad." I said, "Yes, the Canadian Northern." "Well," he said, "you will have to take them all over. In Australia our railroads were doing well. We took control of one, then we had to take over another, and still another, until at last we had them all except a couple of insignificant lines." I ask honourable members to take notice of our railway situation. If we do not take over the Canadian Pacific Railway, what is going to happen? The company is not paying dividends on its common stock. The stockholders will soon become tired of their loss of income, and it is not likely the Government will guarantee another advance of $60,000,000. We shall have to take over the railway.

Now, consumption decreases according to the ratio of unemployment. We were promised in 1930 that unemployment would be wiped out in three months. The adverse influence of unemployment on consumption is demonstrated in Montreal. Unemployment has in many cases forced one family to join with another in a single apartment, to the disadvantage of the poor landlord. And he is not the only loser by this enforced economy: only one gas stove is used where in separate apartments two were necessary; similarly the consumption of electric light is limited. The loss of customers restricts the revenues of the private utility companies, and to weather the storm they have to draw on their reserves. Government ownership has but one resource

for deficits—taxation. Of course, no municipal, provincial or federal government can make money; it can raise money only by taxation.

In its operation the Hydro-Electric Power Commission has been given favours that no private company has ever enjoyed. I cite a few facts in this connection. The Commission has been built up into a monopoly, for no one was permitted to compete with it. It obtained an advance of more than $10,000,000 for the construction of rural lines. That is in addition to the initial advance of $10,000,000. It has the right to impose—I should like honourable members to listen to this—it has the right to impose a first mortgage on the property of customers who fail to pay their electricity bills on the nail. I wonder how the farmers in Quebec would like that. No government commission has any control over it: it fixes its own rates; its decisions are final; it has arbitrary powers.

To illustrate this, let me direct the attention of the House to the following tables. I am dealing with the Niagara district, for it is close to the centre of power generation. The following rates per horse-power were paid in 1932:

5	municipalities paid from	$19	to	$25
30	municipalities paid from	25	to	30
30	municipalities paid from	30	to	35
32	municipalities paid from	35	to	40
38	municipalities paid from	40	to	50
17	municipalities paid from	50	to	60
15	municipalities paid from	60	to	90

In spite of these official figures, supporters of nationalization of hydro power in Quebec continue to state that Ontario municipalities get their electricity from the Hydro Commission at from $12 to $15 per horse-power. This varying rate-scale clearly proves that in certain cases special favours have been given to friends of the Government in power.

The Hydro-Electric Power Commission has increased its rates from time to time. For instance, in 1909 its rate was $9.50; in 1919, $16; in 1923, $24; in 1932, $27.50. On the other hand the private power companies during that time have decreased their rates.

Now I come to what I consider a very serious blunder on the part of the Hydro-Electric Power Commission of Ontario, and perhaps the right honourable gentleman opposite will be surprised by what I am about to say.

Montreal visitors to Toronto must often have been puzzled by the fact that electric light in the latter city, particularly during "peak" hours, has a curious flickering quality that is quite unknown in their own city. This flickering light is the result of a policy adopted by Ontario Hydro, a policy described by the editor of the Electrical World as "the prime electrical blunder of the age." It comes about from the fact that under public ownership Ontario has clung to an outmoded system of electrical current, while everywhere else in the world, Montreal included, large electric enterprises have moved forward with what science has shown to be the best engineering practice.

When electric lighting was in its infancy the current supplied was what is known as 25-cycle power. That gave a light which flickered. Experiments proved that power of a higher frequency eliminated the flicker. So in the last two decades the trend in North and South America, in Great Britain, and in Europe generally, has been toward 60-cycle frequency power. Private plants everywhere have scrapped old equipment and changed to 50-cycle or 60-cycle power. In Montreal and Quebec province generally 60-cycle power has long been supplied.

Ontario has kept on sinking capital in 25-cycle equipment, and even imported 25-cycle equipment which Germany abandoned in favour of higher frequencies. Why? Because of politics. Says the Financial Post, of Toronto:

> Before it became financially disastrous to do so, Ontario could have changed over from 25-cycle to 60-cycle equipment. But that might have been politically disastrous. It would have been admitting a mistake!

Let anyone who imagines that politics can be kept out of public ownership enterprises make the best he can of that statement.

The remark I have quoted is made in connection with the fact that Hydro is now about to set the clock back in the last oasis of 60-cycle power in the Niagara district. In the days of private ownership 60-cycle power was established in Hamilton, Oakville, Brantford, St. Catharines, Welland, Beamsville, Grimsby, Burlington, Burlington Beach, Stony Beach, Palermo, Dundas and other municipalities. This 60-cycle power was continued after Hydro took over the Dominion Power and Transmission Company. The Financial Post says the fiat has now gone forth by which Hydro will deprive these municipalities of 60-cycle power and in exchange supply them with what is termed "an inferior article." They are to be given 25-cycle power in the interest of unification of services, and to permit switching of power in case of breakdowns. What else can be done? Many millions of dollars' worth of equipment will have to be scrapped to set the clock back in the municipalities mentioned, because Hydro cannot undertake to set the clock forward in other areas. More than $600,000,000 has been spent on 25-cycle power projects. To

change over to 60-cycle equipment would be ruinous. Ontario people are told that if they use higher voltage lamps they may consume more current, but will not notice the flicker so much. Perhaps, after all, flickering is not so bad for the eyes as some people think. Still we cannot imagine that the cheers for public ownership will be very hearty in Hamilton and the various other municipalities which are now to be called upon to sacrifice themselves in perpetuity on the altar of "the prime electrical blunder of the age."

In general, the cost of a 25-cycle motor is fifty per cent greater than that of a 60-cycle motor. Thus Ontario users of power have spent millions of dollars which could have been saved had an up-to-date policy been adopted. In order to revert to 60 cycles, the Hydro Commission would have to re-wire all its generators and transformers, and in the premises of its customers all the motors in washing machines, carpet-sweepers, radios, and so on, and the induction motors in dentists' equipments, refrigerators, etc., would have to be replaced, unless they happened to be universal motors, which are very difficult to get and very expensive. So it now appears, according to the information given to me, that the Hydro Commission has the most obsolete system to be found in North or South America.

Right Hon. Mr. MEIGHEN: What is the source of that information?

Hon. Mr. CASGRAIN: Source?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. CASGRAIN: Well, I have cited the Financial Post and some other papers.

Right Hon. Mr. MEIGHEN: Only a trifle from the Post. I should like to get the rest.

Hon. Mr. CASGRAIN: The management of the Hydro Commission, which is a political organization, has been entrusted to partisans. Mr. Lyon, of the Globe, has just been appointed. He may be a very estimable gentleman, but does anyone think that because of his being the editor of the Toronto Globe he is qualified to run such an enterprise as the Hydro? I happen to be criticizing the members of my own party, but I tell the truth no matter where the chips fall.

They say, "Back to Beck." That is no good now. After thirty years the cat is out of the bag. Conditions will only go from bad to worse, because rates will have to be raised to pay for Beauharnois power which is not used, to say nothing of power from the Grand Canyon on the Abitibi, where nobody lives.

Quebec has always been opposed to government ownership, and wants nothing that smacks of Socialism and Communism. It knows that self-interest is the yard-stick of action. Who can say that such fears are chimerical? Formerly we could always rely on the protection of the Crown, but since the Statute of Westminster we are at the mercy of a hostile majority in Ottawa.

The following document carries its own conclusions:

> Social and political syllabus of the Methodist Church of Canada, as approved at the 10th General Conference, held in Hamilton, Ontario, in 1918.
>
> 1. Nationalization of all natural resources such as mines, water-powers, fisheries, forests.
>
> 2. Nationalization of all transports, means of communication and public utilities used by the people.

Mark the date. That was in 1918. Lenin went into power in 1917. These people were quick to catch on to Bolshevism.

In Ontario farmers pay more for power under the Hydro system than do farmers in Quebec, who are supplied with electricity by privately-owned companies. I give comparative figures as to rates, as follows:

Kilowatt Hours	Ontario	Quebec
20	$3.58	$1.38
25	3.85	1.65
30	4.12	1.92
35	4.39	2.19
40	4.66	2.46
50	4.91	3.00
60	5.09	3.54

This difference in rates is accounted for by the fact that Ontario farmers must pay a monthly service charge of $2.50, while in Quebec the charge is only 30 cents.

That municipal ownership brings about any reduction in rates is still more definitely disproved by figures which I shall give. Four municipalities in the province of Quebec have made over their power plants to privately-owned companies, as follows:

St. Gabriel de Brandon—July 5, 1920.
Neuville—January 15, 1921.
St. Raymond—December 31, 1924.
Danville—October 23, 1929.

Taking the average consumption for 1933 as a basis, the savings in each case were as follows:

St. Gabriel de Brandon	$ 14,000
Neuville	11,500
St. Raymond	48,000
Danville	31,000
Total	$ 104,500

Obviously it can hardly be claimed that municipal ownership has brought about any noticeable reduction in power rates.

The partisans of government ownership contend that their sole object in competing with privately-owned companies is to secure an

opportunity to demonstrate the efficiency of their system. Such competition, they claim, is fair and conceals no hidden motive or underlying design to confiscate the property of their competitors. But look at what has taken place in Ontario, where every private company was wiped out. The Ontario Hydro Commission has forced the Government of that province to legalize unlawful activities. Government ownership is the first step towards the confiscation of acquired rights. There is no quicker road to anarchy. That is why the Communists are for government ownership.

They say: "Here are these big, tall poles, and here are the wires running over your place. Why not tap these wires?" Well, the distribution of power from the generator to the consumer is usually accomplished in three stages: first, primary high voltage lines of from 60,000 to 220,000 volts, capable of transmitting loads up to 200,000 horse-power for long distances; second, secondary high voltage lines of from 15,000 to 30,000 volts, carrying loads up to 3,000 horse-power for medium distances; and third, distribution lines of low voltage—2,200 to 6,600 volts—for short distance transmission. Rural distribution, because of the distances involved, usually requires 15,000-volt service, from which, at intervals, taps are made to serve groups of farms.

Transformers cost $30,000, and automatic switches for the safety of the people cost $20,000. They cannot be installed at each farm any more than trains can be expected to stop there; so there are one railway station and one transformer for each parish. People may say the original cost was so much, but in the last forty or fifty years the equipment has been renewed over and over again. Our population in Quebec has had all the advantages of these renewals without a dollar of cost to the community. We hear of "Trusts! Trusts!" What are these trusts? They are companies. I have in my possession a list of the shareholders in these companies, and I dare say there is not a large Catholic institution in the province, such as the Grey Nuns and the Sisters of Charity, that does not own shares.

Hon. Mr. DANDURAND: What about the Protestant institutions?

Hon. Mr. CASGRAIN: I stuck to the Catholics because this refers to Quebec. If I were dealing with Ontario I should bring in the Protestants.

Right Hon. Mr. GRAHAM: The greatest good to the greatest number.

Hon. Mr. CASGRAIN: That is why I brought in the Methodist Church.

What are the tendencies of Marxism? Karl Marx maintained that the individual exists for the state, and that collectivity has the upper hand of every citizen. Louis XIV said, "I am the state!" Karl Marx improved upon these historical words, and if I were to epitomize Marxism in a phrase, I should say, "The state is everything!"

Hitler is not satisfied with subduing the individualism of the German people; he aims to become the master of their consciences by creating a state religion. Mussolini has just proclaimed that, the state being the absolute master of the individual, it is necessary that children in their infancy be regimented in the Fascist legions. Stalin, after having de-Christianized the people of Russia by closing the churches, wrecking marriage and abolishing the family, attempts to realize Marxism in its essence through integral Sovietism. To show itself an adept in Marxism, Australia has nationalized the mines, fisheries, printing establishments, navy, agriculture, butcheries, bakeries and hotels. Well, we have nationally-owned hotels here too.

When one sees throughout the world the abundant bloom of Marxism—Communism in Russia, Fascism in Italy, Hitlerism in Germany and Socialism in Australia—one should not be surprised to see a movement for Nationalism in Quebec. If you look at Germany and Russia you will admit that these two countries are rapidly making their way towards most flagrant barbarism. Germany is going back to the ancient gods worshipped by the Cimbres and Teutons during the time of the barbarian invasion of the Roman Empire. Russia, having cast off all religious ideas, idolizes Lenin as its god, and the state, which it inherited from him. All this is government ownership.

Since 1860 machinery has replaced fifty million men, and now capitalism is blamed for unemployment. When all the rest of the American continent sided with the apostles of prohibition, Quebec alone withstood the inroads of propaganda, and even turned a deaf ear to the entreaties of persons in whom it reposed great confidence. The "noble experiment" was a dismal failure, and to-day all the Canadian provinces and American states have patterned their liquor legislation on the Quebec Liquor Act. In the matter of state ownership Quebec will remain true to form and faithful to its traditions. It will not side with agitators whose sole purpose in the campaign they are waging is to annihilate earned and acquired rights and privileges, to confiscate private property, and to involve this country in the ruinous system propounded by the German Socialist Karl Marx.

Now, honourable gentlemen, I do not want to take up any more of your time. I have, however, an article which I should like to appear on Hansard. If you insist I shall read it. If you will allow it to go into Hansard without reading, I shall refrain.

Some Hon. SENATORS: Carried.

(The article referred to follows.)

When Quebec Burnt Its Fingers

Agitators who picture public ownership as a necessary preliminary to the establishment of a paradise on earth have never been able to make much headway in Quebec.

Perhaps an experiment in public ownership, initiated in the old days of the Conservative regime in provincial affairs, is the reason.

That experiment cost a lot of money, but it may have been worth the price.

Like the child who burnt his fingers on a hot stove, Quebec exclaimed: "Never again!"

* * *

There are people still living in Montreal who remember this venture of the province into the field of nationalization.

The Quebec Government decided to build a railway from Montreal via St. Vincent de Paul to Ottawa. It was called the North Railway.

By the time it was completed it had cost the province $14,000,000—a huge sum in those days.

It never was a success. Year after year its operation resulted in deficits, which accumulated to such an extent that they threatened to ruin the credit of the province.

* * *

Finally the C.P.R. was begged, implored and compelled to take the road over for $7,000,000.

Thus the Province lost $7,000,000 on capital account, plus a series of staggering deficits the total of which it is impossible to trace.

It was a costly lesson, but it saved the Province from committing itself more deeply. It only got one foot mired instead of being sunk into the bog of nationalization up to its neck, and it managed to pull that one foot out, thanks to a derrick supplied by the C.P.R.

* * *

Ontario would have been fortunate if it had had such an early experience to guide and to warn it.

That province jumped into the bog with both feet when it decided on the nationalization of hydro-electric power.

By means of the Hydro-Electric Commission it has accumulated a debt that reaches the tremendous proportions of $285,000,000, which amount, bearing the guarantee of the Provincial Government, swells the provincial debt of Ontario to $572,000,000.

As one instance, the Queenston-Chippawa plant, which was estimated to cost $10,000,000 actually cost approximately $150,000,000.

Despite freedom from federal and other taxation Hydro cannot operate except at a loss. Even in the densely-populated Niagara district its operation indicated for that district a deficit of millions for last year.

* * *

Equally disastrous in proportion has been the nationalization of the telephone service in the Prairie Provinces.

Hon. Mr. CASGRAIN.

According to official statistics in Ottawa the telephone in Alberta last year showed a deficit of over $1,000,000.

Then there was the Provincial Savings Bank established a few years ago by Manitoba. It was on the verge of collapse and was only saved by the chartered banks coming to the rescue.

These banks, by assuming the obligations of the tottering provincial bank, saved the $14,000,000 which represented the savings of depositors.

* * *

Another shocking example of public ownership and operation is the famous T. and N.O. Railway of the Ontario Government.

Notwithstanding the exceptional advantages of running through a fabulously rich mining district and receiving from the C.N.R. $300,000 per annum for running rights, the railway showed a deficit of $9,000,000 on operation in 1933.

* * *

Lastly there is the Federal Government's experiment in railway nationalization. Under pressure from the Western Provinces and Ontario the Federal Government nationalized the railway built by Mackenzie and Mann.

Last year that enterprise announced a deficit of more than $64,000,000, this not taking into account the money loaned by the Dominion Government. Had these loans been taken into account the total deficit for 1933 would have exceeded $100,000,000.

If Quebec wants to ruin itself the way is clearly marked. All it has to do is to forget its experience in the past, sink its own individuality and blindly follow the Utopian agitators whose fellows in other provinces have made such a mess of things.

Hon. Mr. CASGRAIN: I thank honourable gentlemen for their patience in listening to me on this subject at such great length, especially those who have not been initiated into it. The honourable member for Grandville (Hon. Mr. Chapais) surprised me very much when he just looked at the graphs and understood them immediately. Of course, he is a wonderful writer.

Right Hon. ARTHUR MEIGHEN: Honourable members, I am pleased indeed to congratulate the mover and the seconder of the Address, both of whom are admitted on all sides to be among the most promising of the younger members of this House. I hope the standard of speech which they have set will remain, notwithstanding interruption, our standard throughout the session.

I have the kindliest feelings toward the honourable senator who has just sat down (Hon. Mr. Casgrain). I have never known a man like him, or in the same category at all, when he addresses his fellow members. To say his mind does not move is to have no regard for truth. It moves rapidly, it moves everywhere, and in all directions at once. I am not certain that I shall do him justice in drawing deductions from his address, but I shall try. I want to make some reference to

that astonishing deliverance before I come to what I think should be the subject-matter of the debate.

The purpose of the honourable gentleman's rising was, of course, to attack the Hydro Electric power enterprise of the province of Ontario.

Hon. Mr. DANDURAND: From the Quebec angle.

Right Hon. Mr. MEIGHEN: No, from the private power interest angle, most distinctly, most definitely and most obviously. I do not think there is any Quebec angle to the Hydro policy of Ontario. How could there be? Quebec has no interest in it. Quebec is not concerned—

Hon. Mr. DANDURAND: But the honourable gentleman said he was speaking for Quebec.

Right Hon. Mr. MEIGHEN: But he could not speak for the province of Quebec. That province has no special angle towards Ontario's Hydro policy. But the private power interests of Quebec—and I think, further back, the larger and more powerful interests of the United States—have an angle towards the Hydro enterprise in Ontario. They have an interest to which they have been remarkably alive in these last few years and months, and I venture to suggest that when attacks are made upon the Hydro we ought to try hard to discover the source of them. That is why I ask the honourable gentleman what is the source of the astonishing information, as he described it, which he was giving to this House. It was occasionally interlarded with some extracts from the Financial Post. But that publication supplied only a minor part of the material which the honourable gentleman has given to us. He himself did not provide the source, otherwise he would have read his statement better than he did. I have a tolerably safe idea as to the origin of his information, and I should have liked the honourable gentleman to disclose it to us frankly. In the course of his speech he supplied me with an enormous memorandum prepared by the Shawinigan Water and Power Company, or by engineers in their employ. It would have been very difficult for me to analyse the memorandum in the short space of time at my command before I rose to speak. Indeed, any adequate analysis could come only from an engineer as well qualified as the one who prepared it. But I intend to make some reference to it this afternoon.

I think I have never been known as an extreme or advanced advocate of public ownership; certainly never as an advocate of public ownership of all things. But I have been the parent of, or at all events chiefly responsible for, policies that resulted in the expansion of public ownership. Those policies were dictated by circumstances resulting in the main from the failure of private ownership to conduct enterprises which, though privately owned, were essential to the State. If I were to endeavour to express my view on this question in the space of a sentence, it would be something like this. With respect to enterprises of a national or state character, particularly where the amount of capital is great in relation to the labour required, it is very probable that in these days public ownership and operation will be the better. To the degree that labour forms a large factor public ownership works with lesser efficiency. In respect of railways, labour is a considerable factor. Our railway difficulties are due in part to that circumstance, and in part to the fact that much capital has been expended not for business reasons, but for purposes of State. Necessarily, therefore, the financial results have not been as good as if construction had been proceeded with on a business basis purely and simply. But with respect to power units, in which capital is a great factor and labour a relatively minor one, the situation is different. In a rather thickly populated province like Ontario, where without public ownership we are bound to be faced with a multiplicity of private enterprises, overlapping, conflicting with and usually destructive of one another, and as a result the users of power would have to be charged higher rates in order to pay for the multiplicity of capital investments, it seems to me proper that we should have not only state control but state operation.

I know the people of Ontario will be grateful to the honourable senator for the kind interest he is taking in their welfare, and especially for the evidence of that tender and merciful heart which he has exhibited towards the power consumers of the province. He regards us with an anxious pity. We are struggling, he says, under a load of debt—I do not know how many hundreds of millions he estimates it is now—all due to public ownership of Hydro. Though we are, he believes, burdened with excessive rates, we are bearing up manfully, and his heart goes out to us. Furthermore, our eyes are blinking because we use 25-cycle current, yet we are unable to extricate ourselves from political tentacles and get a swifter cycle. I should like to see my honourable friend assume the role of a John the Baptist in this province of poor, benighted people. I have in my mind a picture of the figure he would cut as he went about preaching the gospel of private

ownership of electrical power. The honourable gentleman has not the first notion of the real situation with respect to the Hydro-Electric Power Commission and the service it renders. I admit that service may some day be blighted, but I am confident it will not. I do not think the citizens of Ontario will submit to any policy which they consider would result in the destruction of Hydro. I believe there is no other institution in the province to which the people as a whole are so devoted as they are to the Hydro-Electric Power Commission.

What are the facts? It is true that in the main private companies have disappeared. The properties of these companies have not been confiscated; they have been purchased by the process of bargaining, and sometimes by arbitration. Their bonds have been assumed and their shareholders paid. In Ontario we are sometimes charged with confiscating these properties, and that appears to be the kind of thing my honourable friend would allege against us. At other times it is said that we have paid too much. I should be in a position to come to an intelligent opinion, and, I think, an honest one; and I believe that in the main the assets of those private firms have been fairly purchased. I do not think the charge of confiscation will lie in any instance. I have never seen one where I was convinced it did lie, nor have I had anything to do with one where that was even charged. And I have not had to do with an instance where it was alleged that we paid too much. There were always reasons for whatever step was taken, and when an intelligent commission went into the matter it recognized such reasons, put the proper value upon them, and then made a sane report.

The result is that in the province of Ontario we find ourselves now with one unit instead of twenty. There is no duplication of service, and we are paying interest only upon the capital essential for the service instead of upon a multiplication of capital which inevitably would have been employed had there been multiple services. This fact is responsible for the economy which Hydro has brought to Ontario. The economy does not lie—and no sane person would claim it does—in superiority of managerial skill on the part of a commission or its officers as compared with a private corporation and its officers. The saving is due to the fact that we have avoided tremendous charges that would have come from multiplication of services.

Let us go a step further and trace the results. The honourable gentleman gave us some figures as to the cost of power, by which he means the cost to manufacturing industries. That is one factor and only one. He says that in certain cases the cost has increased, and in this he is correct. As you have to go farther for your power, or to less economical plants, necessarily the cost rises. If you could do what a private institution can, develop only the most economical plant and deliver power only where it can be most economically delivered, that is to people nearby, then of course you could offer lower rates. But if your policy is service to all the people, not to just a few, you must necessarily raise your prices as you have to go farther for the source of power which you distribute to the masses. Consequently an intelligible comparison cannot be drawn between conditions under private operations and under public operations. The objective in each case is entirely different.

In Ontario we have a vastly wider distribution of power than there is in Quebec. Our rural service covers over 63,000 farmers. How many are served in the province of Quebec? Just a comparative handful, only those who happen to live near the source of power. I speak now subject to correction, and without having made an intensive study of the situation in that province, but I do not believe that even in respect of power for industry the comparison favours Quebec. And if it did, that would argue very little or nothing at all.

In the province of Ontario before the introduction of Hydro, and afterwards in those sections where private interests were serving before the Hydro organization was spread as widely as it is to-day, the average cost for electrical current to the domestic consumer was 5·7 cents per kilowatt-hour. That is approximately the average cost throughout the whole state of New York to-day, and I think the figure would not be very far out as applied to the province of Quebec. Economies effected by the union of power enterprises have resulted in reducing the average cost in Ontario to-day to 1·7 cents. This current is used principally for lighting purposes. The saving to consumers on that account alone aggregates $30,000,000 a year, or sufficient to pay the interest on the whole capital debt of the province, including the Hydro debt. While the honourable gentleman was talking he frequently pointed to the right honourable senator from Eganville (Right Hon. Mr. Graham), but for what purpose I was not able to divine. I suggest that the next time he is considering this question he ask the right honourable senator about results in the city of Brockville, where

he lives. Before the introduction of the publicly owned Hydro system there domestic consumers paid something like 7 cents per kilowatt-hour for current. Difficulties ensued and the municipality finally decided to purchase the private enterprise. That was not very many years ago, but as I am not sure of the year I will not venture a guess. After the purchase the rates were slightly reduced, and throughout the intervening period they have been lowered almost annually to all classes of consumers in that city, and particularly to the consumers of light, who compose by far the largest part of the community. The result has been that notwithstanding the lowering of rates the local unit has been able to pay for the cost of its whole distribution system, it does not owe a dollar, and its property is worth hundreds of thousands of dollars. All this has come out of earnings from the sale of electricity, for the taxpayers did not contribute a cent towards the purchase or operation of the plant. The mortgage was burned over a year ago.

What is true of Brockville is true of about seventy-five other municipalities in the province of Ontario. In every case reductions have been constant, and the debt has been lowered. Many municipalities have tremendous equities in their properties. All of them have as well large equities in the great central institution which owns the individual plants for producing power and the overriding distribution system carrying the power to individual municipalities.

I should like to see the honourable senator from De Lanaudière (Hon. Mr. Casgrain) come into Ontario and put himself at the head of a movement such as he assumes to lead in this House. I am not seeking to dictate to Quebec. It may be that province wants the privately owned system, and possibly such a system is better suited to it. But I should imagine that the municipalities there are just as capable of doing business and handling their own affairs as are those in Ontario. However, that is a matter for the province of Quebec. And I should like to suggest to the honourable senator from De Lanaudière that matters relating to the Hydro-Electric Commission of Ontario are the business of the people of this province.

Now let me come to some subjects which were touched upon yesterday by the honourable leader on the other side of the House (Hon. Mr. Dandurand). The Speech from the Throne certainly cannot be criticized as wanting in interesting material. It is perhaps the most pregnant Speech from the Throne which has been brought down in the history of our country. It comes after a long series of statutes passed here in recent years, and follows immediately upon what I think was the most fruitful session of which our Parliament can boast. When we last met we put through a succession of measures, certainly most vital, courageous, if not dangerous, but still well-considered—measures admittedly of tremendous import, designed to attack a condition of affairs with which we had never before been confronted.

Last session saw a Shipping Bill put through. It saw this country adjust itself to a new Imperial relationship in matters of shipping —a very difficult and complicated task for which, I think, this House deserves by far the major credit. It was one of the most important measures ever enacted by this Parliament.

Last session saw the Bank Act revised, with more than the usual alterations in the principal sections, for it was revised under conditions radically different from those prevailing in previous revisions. This also was a very important step involving high responsibility on the part of the representatives of the people.

But last session saw further measures of a category into which Parliament had rarely ventured in other times. The Marketing Act was perhaps the most forward of those measures. We never before had tried to offer to primary producers a mechanism for marketing such as in other fields was available through united effort on the part of those engaged in the industry. This mechanism could not reach the primary producer without the assistance of Parliament. It is too soon yet to pass any very useful judgment upon the fruits of that measure. Suffice it to say that it has worked for the benefit of two or more industries in the primary field in a way acceptable to those engaged therein, and has given promise of opening up an avenue of usefulness perhaps even beyond the expectations of its sponsors. It looks as though it would be possible to do much of real value to primary producers along the lines laid down in that statute. Undoubtedly it has already been of special benefit to those engaged in fruit growing. But the main point of interest to us is that it seems to be workable through the instrumentality of those in the industry rather than merely through governmental officials.

Another measure of great importance indeed was the Farmers' Creditors Arrangement Act. There has been more opportunity of judging the practicability of that law than of the first one referred to. Many cases have come before the boards. The working-out of the legislation is still in motion. Much has been done towards the laying down of general

principles by a conference of the different boards of the provinces. At least it has been shown that this law meets a keenly and desperately felt want by our farmers for an easy and quick method whereby both creditor and debtor may face the inevitable, get down to realities and place the whole situation on a basis that will serve both in the best way.

Then last session we established a Central Bank, by a measure that indeed was introduced amidst various forebodings and doubts on the part of some very well qualified to judge, a measure whose importance certainly cannot be denied, and the courage of whose sponsors must be admitted.

All this is the product of one session. It was a session highly to the credit of the Leader of the Administration, and the results of it give him warrant to command the sincere confidence of the country when he propounds a still bigger legislative programme—that upon which we are now launched.

I do not purpose to discuss at length the principles of the measures foreshadowed in the Speech from the Throne. I shall just recite three to indicate that we can all look forward to having our time well and usefully occupied, our talents challenged to the utmost. We have a real opportunity this session to give that care to measures which is demanded by their importance, by their far-reaching character, and by the tremendous responsibility of Parliament in relation thereto. These three paragraphs, each of them very short, will indicate what I mean.

> Better provision will be made for the security of the worker during unemployment, in sickness, and in old age.

It is difficult to over-emphasize the wealth of meaning in that pronouncement. "Better provision for the security of the worker during unemployment"—a new step in the pathway of Canada. "Better provision during sickness"—distinctly, if not radically, new. "Better provision in old age." All these are moves in the direction of laying the burden of the straggler, who is not himself responsible for his condition, upon the whole body.

The next paragraph reads:

> Action will be taken to ameliorate the conditions of labour, to provide a better and more assured standard of living for the worker, to secure minimum wages and a maximum working week, and to alter the incidence of taxation so that it will more directly conform to capacity to pay.

This is the third paragraph:

> You will be invited to enact measures designed to safeguard the consumer and primary producer against unfair trading practices and to regulate, in the public interest, concentrations in production and distribution.

Never before has Parliament had before it a menu so attractive, a programme so challenging.

That care will be necessary in the framing of these measures goes without saying; that they will involve the placing of burdens upon those best able to pay goes without saying; but I ask honourable members who have watched the evolution of the world in the last ten years, who have examined the social composition of our country itself, if in their hearts they believe the action proposed can be avoided. I ask them if under to-day's conditions, the product of new forces, of circumstances utterly unknown to our fathers, they really feel these things can be resisted. Are they not convinced that our only course is to choose our steps carefully and to decide definitely the direction in which we must go conscientiously to discharge our duty, making sure that every step of the march is as wisely directed as it can possibly be?

An honourable senator opposite is very much concerned as to where the money shall come from. His concern is not only proper and natural, it is inevitable. It would be only uttering the argument of a party man—not wholly in place in this assembly—if I were to say to him there is a leader of a great party in Canada who does not seem to be much concerned with these measures. And he is not the Leader of the Government. This leader pronounces himself right behind them, and wants to see them enacted. He of course would never think of taking this vital step unless he knew the money could be provided. But little can be gained by resorting to such an argument. The difficulty of financing is certainly great. No honourable member can minimize the importance of that consideration, but we have to bend our foreheads to the storm and see that the financing is done. There is indication in the Speech from the Throne of the source from which the money will come—from those best able to pay.

There are in this country to-day tens of thousands suffering, through no fault of their own, the consequences of the industrial evolution of the last twenty-five years. That they will continue to suffer unless new steps are taken, we must all admit. That they should not suffer under a properly regulated economy, we must also all admit. That there are dangers surrounding any solution is manifest to everyone. The main danger is this, that you are bound to include within the bounty of Parliament those who are quite content to lean upon that bounty, to give up all ideas of self-reliance, of making their own way in life. There lies the main difficulty of any

solution at all. Such are the troubles that surround us at this very moment. While to-day there are tens of thousands, if not hundreds of thousands, who are in want or depending upon charity through no delinquency of their own, there are undoubtedly many thousands who have by the generosity of the State been led into habits deleterious to themselves and to the nation. The line must be drawn fairly, but we must not shirk the duty of drawing that line, of surrounding our legislation with all the safeguards that wisdom can suggest, in order that while doing the right and just thing to the deserving we may not contribute to the delinquency of the undeserving.

I know that all honourable members are prepared to give fair, just and intelligent thought to the proposals of the Administration. I believe the country as a whole expects Parliament to take practical and forward action in this direction. I do not think we can reach any other conclusion from the almost universal attitude of the Press of this Dominion and the leaders of public thought. It is to that duty we must devote ourselves, and I bespeak the co-operation of all.

The Address was adopted.

The Senate adjourned until Tuesday, February 5, at 8 p.m.

THE SENATE

Tuesday, February 5, 1935.

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

Prayers and routine proceedings.

DOMINION LANDS ACT

APPROVAL OF ORDERS IN COUNCIL

Right Hon. Mr. MEIGHEN gave notice of the following motion:

That Orders in Council which have been published in the Canada Gazette between the 1st day of January, 1934, and the 31st day of December, 1934, in accordance with the provisions of Section 75, of the Dominion Lands Act, Chapter 113, R.S. 1927, and which were laid on the Table on the 22nd day of January, 1935, be approved.

Hon. Mr. DANDURAND: Of course the right honourable gentleman may postpone his explanation until to-morrow or he may give it now. So far as I know, this Chamber has never had the responsibility of approving of Orders in Council. Does this motion refer to all the Orders in Council passed during the last year?

Right Hon. Mr. MEIGHEN: Oh, no. It refers only to certain Orders in Council passed under the Dominion Lands Act—a quite inoffensive Act—and which require the approval of both Houses within a certain period after they have been laid on the Table. They were laid on the Table on the 22nd of January.

THE LATE HON. SENATOR HATFIELD

TRIBUTE TO HIS MEMORY

Right Hon. ARTHUR MEIGHEN: Honourable members, when we met but a few days since to resume our labours we all had the happy reflection that the hand of Death had not been shown among us since prorogation several months ago; but already one of our members has been called away.

The late Mr. Paul L. Hatfield was one of the modest, unassuming, quiet men of this Chamber. I sat with him for a period of five years in the other House as well, and there also he was unobtrusive. In both Houses he was sincerely liked.

His status in his province can best be judged perhaps from the fact that there, where politics are a very serious business, he carried his riding in three successive elections from 1921 to 1926, inclusive. Entering municipal life first, he became a well-known character in that section of Nova Scotia and succeeded on his first attempt to enter the Parliament of Canada. He had made for himself a wholesome, creditable reputation in business, and in social life was a general favourite. Rarely did he mix with us who were his political foes, but we have reason to appreciate his high standing among those who knew him best.

It seems but a few short weeks since, in good health, he was one of our number. Death in most unaccustomed form has claimed him. I am sure all will join with me in a message of regret that we shall enjoy his services and his company no more, and of keen sympathy for his widow and his daughter who are left behind.

Hon. RAOUL DANDURAND: I desire to endorse the eulogy which has just fallen from the lips of the right honourable leader of this House. Although he was not very accessible, the late Senator Hatfield had a very kindly disposition. He was modest in expressing his views, preferring to listen attentively before making his decision. In committees he followed closely all discussions and then gave us the benefit of a conscientious and independent judgment, for he had a well-balanced mind. He was a man of few words, and if it be true that we shall be held

responsible for idle words that fall from our lips, I know many of his colleagues will be held accountable where he will be free from condemnation. He was highly respected in his province and enjoyed the friendship of members of both the House of Commons and the Senate.

I join with my right honourable friend in extending to his family the sympathy of this House.

INTERPRETATION BILL

FIRST READING

Bill 3, an Act to amend the Interpretation Act.—Right Hon. Mr. Meighen.

REPRESENTATION BILL

FIRST READING

Bill 4, an Act to amend the Representation Act, 1933.—Right Hon. Mr. Meighen.

PENSION BILL

FIRST READING

A message was received from the House of Commons with Bill 6, an Act to amend the Pension Act.

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: By leave of the House, to-morrow.

Hon. Mr. DANDURAND: I readily agree to all these bills being placed on the Order Paper for second reading to-morrow, though I have not read them all; but I suppose that if any question should arise regarding any of them the second reading could be postponed to another day.

Right Hon. Mr. MEIGHEN: I have no reason to think that haste is necessary. If, to-morrow, honourable members should feel that they have not been able to give sufficient attention to these bills, I expect to be able to consent to their postponement.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: Honourable members, I beg to move the adjournment of the House. In doing so I think it only fair to intimate that as yet I am not in a position to announce the initiation of any measures in this Chamber; therefore, I expect to move, when the House finishes its business to-morrow, that it adjourn until a week from this evening, at which time some governmental legislation may be initiated here. The private bills, which by virtue of the change made in the rules may be expected to come to this House, have not yet made their appearance. Had any private bills appeared we should probably have had sufficient business to fill out the week; but unfortunately such bills usually appear later in the session, not at the very beginning of it. I do not anticipate that there will be any business for us between to-morrow and Tuesday of next week.

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

THE SENATE

Wednesday, February 6, 1935.

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

Prayers and routine proceedings.

DOMINION LANDS ACT

APPROVAL OF ORDERS IN COUNCIL

Right Hon. Mr. MEIGHEN moved:

That the Orders in Council which have been published in the Canada Gazette between the 1st day of January, 1934, and the 31st day of December, 1934, in accordance with the provisions of Section 75 of the Dominion Lands Act, Chapter 113, R.S. 1927, and which were laid on the Table on the 22nd day of January, 1935, be approved.

He said: In furtherance of what I said yesterday in reply to an inquiry, I may explain that these are all Orders in Council under the Dominion Lands Act. When they authorize the sale of any land, or the granting of any interest therein, it is provided by statute that they shall be laid on the Table of, and approved by, each House of Parliament. A great many of these Orders in Council consist of transfers made to the different provinces on the removal of charges for which the lands were held in the right of the Dominion. Then there are numerous leases, and grants of small interests in lands. There is nothing, I should think, of anything like national concern.

The motion was agreed to.

INTERPRETATION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 3, an Act to amend the Interpretation Act.

He said: Honourable senators, this merely adds Remembrance Day to the list of statutory holidays.

Hon. Mr. DANDURAND: Does it add another holiday or provide a substitute for Armistice Day?

Right Hon. Mr. MEIGHEN: My recollection is that Armistice Day was celebrated as a Thanksgiving Day. That proved unsatisfactory, and Armistice Day is now to be designated as Remembrance Day, and a special day is to be set aside for Thanksgiving. This Bill makes that possible.

Hon. Mr. BELAND: Is there a special day fixed for it?

Right Hon. Mr. MEIGHEN: Not for Thanksgiving Day, but of course Remembrance Day is the 11th of November.

Hon. Mr. CASGRAIN: I have often said in this House that it would be a good thing if this holiday were observed on the 1st of November, which has to be kept as a holyday, like a Sunday, by one-third of the population of the country. As it is now, we have Thanksgiving Day, All Saints, and Remembrance Day all coming close together. Every time that we have discussed Remembrance Day I have suggested that it should be observed on the 1st of November.

Right Hon. Mr. MEIGHEN: The honourable gentleman's remarks might apply to Thanksgiving Day, but would not to Remembrance Day.

Right Hon. Mr. GRAHAM: Honourable members, my understanding, and I think that of the public, is that heretofore Remembrance Day, even since it has been so called, has been observed or not observed as the people of a particular locality desired. I believe this change in the Act will make the observance of Remembrance Day compulsory.

Right Hon. Mr. MEIGHEN: Yes, that is right.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. CASGRAIN: We have Saint Andrew's Day, Saint Patrick's, and Saint George's. The 1st of November is All Saints' Day; so the observance of it should suit everybody.

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

REPRESENTATION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 4, an Act to amend the Representation Act, 1933.

He said: Honourable members, this Bill is necessary because at the time of the passing of the general Act—usually called the Redistribution Act—it was not known or at least not observed that already the boundaries of Hamilton had been changed by a provincial statute, and consequently an error occurred in the definition of constituencies in Hamilton. This Bill corrects that error and makes the definition conform to the actual limits of the city of Hamilton as set out by statute.

Right Hon. Mr. GRAHAM: It does not make any important change that might interfere with the vote?

Right Hon. Mr. MEIGHEN: No. It appeared to be satisfactory to the other House, and from the standpoint of the vote, I fancy, would be to this House.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PENSION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 6, an Act to amend the Pension Act.

He said: Honourable members, it appears that at present there is need of two additional members on the Pension Board. I understand it is desired that they should be doctors, because further professional assistance is required. Under the Act as it now stands every commissioner is automatically appointed for seven years. The Pension Board represents that there is likely to be no need of retaining these new commissioners for that length of time, and consequently this amendment is brought forward to enable the appointments to be made for such shorter period as may be desired.

Hon. Mr. BELAND: I suppose the need for additional doctors is accounted for by the numerous amendments made to the Pension Act last year and the large number of new applications received in the course of the last few months.

Right Hon. Mr. MEIGHEN: Yes, that is so.

Hon. Mr. McRAE: Would this amendment apply only to the new commissioners? Would it not change the contract with respect to the commissioners already appointed?

Right Hon. Mr. MEIGHEN: No. Without giving the matter further consideration I should say that in respect to the commissioners already appointed, the Act as it now stands will continue to apply.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PRECIOUS METALS MARKING BILL

FIRST READING

Bill 2, an Act to amend the Precious Metals Marking Act, 1928.—Right Hon. Mr. Meighen.

The Senate adjourned until Tuesday, February 12, at 8 p.m.

THE SENATE

Tuesday, February 12, 1935.

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

Prayers and routine proceedings.

INTERNATIONAL LABOUR CONVENTIONS

SEAMEN'S ARTICLES OF AGREEMENT

Right Hon. Mr. MEIGHEN: I give notice of the following motion for to-morrow:

That it is expedient that Parliament do approve of the Convention concerning Seamen's Articles of Agreement adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Ninth Session in Geneva on the 24th day of June, 1926, reading as follows—

This is a lengthy convention.

Hon. Mr. CASGRAIN: Dispense.

Right Hon. Mr. MEIGHEN: I will dispense with the reading of this and the other conventions with respect to which I shall give notice of motion to-night, as they all will appear in full in our Minutes to-morrow.

MARKING OF WEIGHT ON HEAVY PACKAGES TRANSPORTED BY VESSELS

Right Hon. Mr. MEIGHEN: I give notice of the following motion for to-morrow:

That it is expedient that Parliament do approve of the Convention concerning the Marking of the Weight on Heavy Packages Transported by Vessels adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Twelfth Session in Geneva on the 21st day of June, 1929, reading as follows—

Right Hon. Mr. GRAHAM: Has the House of Commons approved of this?

Right Hon. Mr. MEIGHEN: Yes, and of all the others.

PROTECTION AGAINST ACCIDENTS OF WORKERS EMPLOYED IN LOADING OR UNLOADING SHIPS

Right Hon. Mr. MEIGHEN: I give notice of the following motion for to-morrow:

That it is expedient that Parliament do approve of the Convention concerning the Protection Against Accidents of Workers Employed in Loading or Unloading Ships (revised 1932) adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Sixteenth Session in Geneva on the 12th day of April, 1932, reading as follows—

Hon. Mr. CASGRAIN: May I ask why these matters are being brought up so late? They refer to things done back in 1926, 1929, 1932, and so on.

Right Hon. Mr. MEIGHEN: There may be a special explanation, but if so I do not know just what it is. I think the reason is that when a convention has been adopted, the treaty following on it becomes an obligation of Canada; and Canada's jurisdiction in respect of legislation to carry through such treaty is then undoubted.

Right Hon. Mr. GRAHAM: That is the contention.

Right Hon. Mr. MEIGHEN: That will be the contention. I do not think there is any question of that. However, I know that that consideration enters into the matter.

APPLICATION OF THE WEEKLY REST IN INDUSTRIAL UNDERTAKINGS

Right Hon. Mr. MEIGHEN: I give notice of the following motion for to-morrow:

That it is expedient that Parliament do approve of the Convention concerning the Application of the Weekly Rest in Industrial Undertakings adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Third Session in Geneva on the 17th day of November, 1921, reading as follows—

Hon. Mr. CASGRAIN: They are getting worse.

LIMITING THE HOURS OF WORK IN INDUSTRIAL UNDERTAKINGS TO EIGHT IN THE DAY AND FORTY-EIGHT IN THE WEEK

Right Hon. Mr. MEIGHEN: I give notice of the following motion for to-morrow:

That it is expedient that Parliament do approve of the Convention Limiting the Hours of Work in Industrial Undertakings to Eight in the Day and Forty-eight in the Week adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its First Session in Washington on the 28th day of November, 1919, reading as follows—

This does refer back some years,—to 1919.

Right Hon. Mr. GRAHAM: It is a bit of ancient history.

Right Hon. Mr. MEIGHEN: I know that honourable members who are interested in the matter dealt with in this connection, and who have addressed the Senate upon it, as I have on more than one occasion, will be glad to see that meditation is now maturing into action.

Hon. Mr. DANDURAND: Will these draft conventions be printed separately and distributed to honourable members of the Senate before we meet to-morrow?

Right Hon. Mr. MEIGHEN: All the articles of the various conventions are part of the notices of motions; so they will appear in the Minutes to-morrow.

Right Hon. Mr. GRAHAM: That last convention was brought nearer to date by a judgment of the Supreme Court, was it not?

Right Hon. Mr. MEIGHEN: That judgment was given some years back, too.

Right Hon. Mr. GRAHAM: Ten years, but that is closer than 1919.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. BELAND: Ten years is a short time in the life of a nation.

Right Hon. Mr. GRAHAM: It brings about many changes.

EXPORT OF EGGS

INQUIRY

Hon. Mr. McMEANS inquired of the Government:

1. The number of eggs exported from the Dominion of Canada during the last two years.
2. The cost of inspection of eggs since the Act regarding the inspection of eggs came into force.
3. The number of prosecutions which have taken place for any infraction of the Act in each of the different provinces and the costs of such prosecutions.

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

1. 1933 .. ..1,987,612 dozens
   1934.. .. .. 2,001,024 "

2. $1,274,033.40, including cost of legal proceedings as reported under No. 3. That, I presume, applies to eggs for domestic consumption. As to exported eggs, I do not know anything in this respect.

3. (a) British Columbia.. 33
   Alberta.. 96
   Saskatchewan.. 166
   Manitoba.. 155
   Ontario.. 374
   Quebec.. 142
   Nova Scotia.. 37
   New Brunswick.. 17
   P.E.I. 10

   (1923-1934, inclusive).... 1,030

   (b) $30,742.02 (1923-1934, inclusive).

UNREMUNERATIVE FREIGHT RATES

Before the Orders of the Day:

Hon. Mr. CASGRAIN: Before the Orders of the Day are called, I desire to direct the attention of the right honourable leader of the House (Right Hon. Mr. Meighen) to a paragraph in to-day's Montreal Gazette. It is headed:

Railway carrying materials at loss should be compensated in some other direction, David Crombie says.

. . . David Crombie, chief of transportation, Canadian National Railways, told members of the Canadian Railway Club at their regular monthly meeting at the Windsor Hotel last night that on wheat alone the loss suffered by the railways had been $35,000,000 in a single year.

The figure may be a misprint. At any rate, I do not believe the railways could have lost so much money in one year, though, as I have often stated in this House, they do not earn any revenue on the business, the freight rates on wheat being very low. I draw the matter to the attention of my right honourable friend in order that the statement, if not well founded, may be contradicted. Certainly, if the railways are sustaining such a heavy loss on this one article of freight alone, it will not increase the value of the stock of the Canadian Pacific Railway, nor will it enhance the credit of the Canadian National Railways.

Right Hon. Mr. MEIGHEN: I had read the article to which the honourable senator refers. Of course, under independent admin-

istration the executive acts of the officers of the road are not subject to review by the Government; much less are the speeches of those officers. I do not say whether or not the facts are correctly stated, but I do say that the rates on primary products carried by the railroads of Canada are the lowest in the known world.

PRECIOUS METALS MARKING BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 2, an Act to amend the Precious Metals Marking Act, 1928.

Hon. Mr. BELAND: Explain.

Right Hon. Mr. MEIGHEN: I suggest the Bill be given second reading and then dealt with in Committee of the Whole. It is a technical measure, as are all amendments to the Act, and explanations can best be asked for and given in committee. I do not think the Bill is such as to require reference to a select committee, but if any honourable member would like it so referred, I shall be prepared to consider his suggestion.

Hon. Mr. DANDURAND: May I ask my right honourable friend if manufacturers of the articles covered by the Bill have made any representations to the Government with respect to the proposed amendments? The tendency of the earlier amendments has been towards protecting the public against false markings. It is only natural that this policy should be continued. However, in the past various members of the trades affected have appeared before our committees and suggested that the amendments then proposed were not opportune. It is not the practice of the House of Commons to send bills of this character to a committee.

Right Hon. Mr. MEIGHEN: The Bill in its every clause makes for further protection of the public. Each amendment is very plainly designed to further protect the public in the purchase of these articles—to see that the stamping and all the other requirements are made so plain and so specific that the public cannot well be deceived. This being the case, one would think it would be necessary only to ascertain whether or not those engaged in the manufacture and merchandising of the goods have any objection to the amendments, and I think that is what the question of the honourable senator is designed to elucidate.

The trade is represented by the Canadian Jewellers' Association. In a letter dated December 6, 1934, signed by Stuart H. Lees and O. M. Ross, respectively President and Secretary, the Department of Trade and Commerce was advised that at a meeting of the Association these amendments were unanimously agreed to. At this meeting the silverware manufacturers and retail distributors from Toronto and Hamilton, representing practically the entire producing section of the industry and the larger retail houses, were present. That is my information as regards acceptability of the Bill.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Gillis in the Chair.

On section 1—"mount":

Right Hon. Mr. MEIGHEN: The explanation at the right is about as clear as any explanation can be of such a technical measure. The amendment is necessitated by changes of manufacturing conditions. The old Act said that a "mount" meant any part of an article of silver-plated ware "applied or attached to" the body of the article. A method has been devised of just stamping it on, which, strictly and legally speaking, was "applying" it. This was not in accordance with the intention of the original Act; so the amendment strikes out the words "applied or." Now, under the reading of the amendment the mount must be attached.

Section 1 was agreed to.

On section 2—"Sheffield Reproduction":

Right Hon. Mr. MEIGHEN: Section 2 is of similar purport. It is to avoid evasions of the Act.

Section 2 was agreed to.

On section 3—marks "B.M." and "W.M.":

Right Hon. Mr. MEIGHEN: This is not quite of the same character. It is to enable a material to be used cheaper than what is known as hard metal, which must contain ninety per cent of tin, provided the dominating metal in this cheaper material is itself stamped on the article.

Section 3 was agreed to.

On section 4—limitation of time for complaint:

Right Hon. Mr. MEIGHEN: This section is quite different in intent. Under the law an action for infringement must be taken within

six months, because section 1142 of the Criminal Code applies, this being one of the prescriptive sections. When you have to take action within six months you must know the facts within six months, and infractions sometimes do not become apparent until long after that period. This amendment does away with the protection thus accorded to those who evade the Act.

Hon. Mr. DANDURAND: But no limitation is fixed.

Right Hon. Mr. MEIGHEN: I would not say there is not a limitation; in fact, I think there is. There is a limitation to almost everything under the Code. While there certainly will be a limitation as to the prosecution of any offence of this kind, it will be not six months but a much longer time. This means only that an offence of this kind will come under some other part of the Code.

Right Hon. Mr. GRAHAM: There will be plenty of time to detect any breach.

Right Hon. Mr. MEIGHEN: Yes, plenty of time to detect it.

Hon. Mr. DANDURAND: Would the right honourable gentleman find out before the third reading what is to be substituted?

Right Hon. Mr. MEIGHEN: Yes. I will have that information for the third reading.

Section 4 was agreed to.

On section 5—certificate of Master or Assayer of Royal Mint to be evidence, etc.:

Right Hon. Mr. MEIGHEN: Section 5 is merely to make easier, without making less efficient, the method of proof. Under the law as it will stand if this clause is adopted, a certificate which is signed or purports to be signed by the Master or any assayer will be accepted as proof without any evidence as to the appointment of that man. Such evidence obviously is unnecessary. Of course, if anybody can show that he was not the Master or assayer, then the proof is destroyed. But prima facie the certificate certainly should be evidence of the authority of the person making it, and in any court it shall be conclusive evidence without any proof of appointment or signature. That is to say, unless it is shown that the person signing is not the Master or assayer it will be assumed that he is; and it will not be necessary to prove that he has the right to sign.

Section 5 was agreed to.

On the preamble:

Hon. Mr. LEMIEUX: Honourable gentlemen, I have been sitting in Parliament for nearly forty years, and I have noticed that this Bill is almost a hardy annual. Can the right honourable gentleman tell me why it should come before Parliament almost every year?

Right Hon. Mr. MEIGHEN: The honourable gentleman's remarks are nothing more than the truth. There has hardly been a session of Parliament in my experience when there has not been some amendment to this Act. One naturally wonders why the legislation will not stand for at least four or five years. I presume the reason is that the methods of the trade are continually changing and improving, and that the adoption of these new methods defeats the purpose of the Act. The ingenuity of man is quicker than the action of Parliament. We are trying to do something which is very complicated and technical. For all the jewellery I buy it would not make much difference, but I presume it is necessary to protect the public in the purchase of articles in regard to which the ordinary man cannot possibly protect himself. Otherwise I should expect fraud to be very easy and prevalent. Now, assuming that the protection is necessary, you have to keep your Act up to date, and your legislation must meet the varying and progressive ingenuity of business men, manufacturers and all other classes of the community.

Hon. Mr. DANDURAND: There are very few matters in which people can be more easily imposed upon than in the purchase of goods of this nature.

Right Hon. Mr. GRAHAM: I never buy any.

The preamble was agreed to.

The title was agreed to.

The Bill was reported.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: In moving the adjournment of the Senate, I may say that I expect to be able to introduce some important legislation for initial consideration by this House to-morrow.

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

THE SENATE

Wednesday, February 13, 1935.

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

Prayers and routine proceedings

PATENT BILL

FIRST READING

Right Hon. Mr. MEIGHEN introduced Bill A, an Act to amend and consolidate the Acts relating to Patents of Invention.

He said: Honourable senators, this is the Bill to which I referred yesterday when I intimated that some legislation would probably be introduced to-day for initial consideration in the Senate. The Bill that I now introduce has already, in even fuller form, passed through one stage in the other House. As was necessary under the rules of that House, the Bill was there preceded by a resolution. This having carried, the Bill was given first reading and last evening was discharged. It is therefore now available for introduction here. Indeed it would have been available even without the discharge; but it was thought better to take that step, so that if and when we passed the measure it would not be held to be in conflict with any measure already before the Commons.

The Bill is a consolidation, amendment, and revision of the present patent laws of Canada, and provides for the reconstitution of the Patents Branch of the Department.

I believe it is not customary to explain a Bill on the first reading. It was, however, appropriate that I should indicate how it comes to be in order to introduce the Bill into this House now. That having been done, I say no more at the present time.

The Bill was read the first time.

SECOND READING

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

Right Hon. Mr. MEIGHEN: It is my desire to have the Bill read a second time to-day, in order that it may come before the appropriate standing committee, the Committee on Commerce and Trade Relations, to-morrow morning. This is a Bill which doubtless will involve in its consideration in committee the hearing of representations from many sources. Consequently I think it would be well if this week we took the steps necessary to enable all who care to make representations to do so at a date to be fixed when we next meet. I know this is hastening matters somewhat, but, this legislation having been committed to our trust, and being of the most important of the session, I think it would be unfortunate that we should adjourn this week without making substantial progress in dealing with it. Consequently, in moving the second reading, I desire to outline briefly the purport of the measure.

The Bill has already been printed in French as well as in English for the purposes of the other House, and practically it is before honourable members in its entirety, because copies can be secured. I think we can have the print for this House ready for distribution to-morrow.

The only difference between the measure introduced here and that introduced in the other House is that the money clauses are now omitted. These are printed in italics for the information of honourable members, but as the primary consideration of such clauses by the Senate is not according to custom, if indeed it is within our power, they do not form part of the measure. They are, I think, only about five in number. The main sections, forming the great body of the measure, are just the same as what we now are called upon to consider.

The Bill provides, first, for the reorganization of the department, this to be done by the Civil Service Commission; the reallotment and redefinition of duties, not at all the dismissal of any of the staff now employed there, nor necessarily the employment of any others. It seems to me that legislative power should be given the Commission to enable them to do the reallocation which appears to be so necessary in that department.

The amount of business in the Patents Branch is far beyond anything I had thought probable. Many thousands of patents, more than nine thousand, go through the department annually, as well as a large number of copyrights, not within the scope of this Bill. Many other matters of business are initiated there, but are rejected or fall by the wayside.

The Bill has many features that amend as well as consolidate the present law. The chief feature is this. Under the law as it now stands a patent gives to the patentee an absolute right, indeed an absolute monopoly, for eighteen years. Experience has convinced those now in charge that this period is too long and that by reason of its length it is abused, especially by foreign holders of Canadian patents. The Bill provides a sort of probationary period of three years; then certain steps by way of servicing the patent for Canadians must be taken, otherwise it is cancelled.

The principal clauses in this Bill which amend clauses of the old Act—I am now reciting the chief features—are sections 3, 26, 28, 33, 43, 47, 63 and 64 of this revision. These are respectively sections 3, 7, 9, 14, 22, 26, 40 and 41 of the existing Act. They relate to appointment of the Commissioner of Patents, applications for patents, oath of the inventor,

specifications and claims, conflicting applications, the term of patents, conditions applicable to all patents, and revocation of patents.

The Commissioner of Patents, after a lingering illness, has died, and it becomes necessary to appoint a new Commissioner. The Act provides that the Commissioner is to be appointed by the Government of the day. The other officials, when appointments become necessary, are appointed under the Civil Service Act.

I do not need at this time to go into further details of the various amendments. My purpose, if it is the pleasure of the House to accede to the motion for second reading now, is to have the Bill referred to the Committee on Commerce and Trade Relations, and ask that it meet to-morrow forenoon, not for serious consideration of the Bill clause by clause—for probably that would be too soon, as honourable members will want to study the Bill very carefully—but rather in order to make arrangements and fix a date for the hearing of representations with respect to the measure.

Hon. Mr. DANDURAND: I conclude from the remarks of the right honourable gentleman that by giving the Bill second reading now we shall not be taken as sanctioning any new principle that may be contained in the measure. In other words, when the Bill is reported from the committee the House will remain free to express its opinion, and even to vote on the question of principle, if there be an important principle involved. This Bill is a consolidation of the Patent Act. In my time we had a consolidation, and I know fairly well what the Act covered, but apparently there is to be also a reorganization of the Bureau of Patents. I see the Commissioner will be appointed by the Government, while the other officials will be appointed by the Civil Service Commission.

Right Hon. Mr. MEIGHEN: As vacancies occur.

Hon. Mr. DANDURAND: Does that mean the Commissioner will have the status of a Deputy Minister? Deputy Ministers are appointed by the Government and not by the Civil Service Commission. Whether he is to be on the same footing as a Deputy Minister I do not know. We may discuss that in committee. Inasmuch as we are not sanctioning any principle now, I have no objection to the second reading.

Right Hon. Mr. MEIGHEN: This is one of those measures to which I think we may properly give second reading without feeling that we commit ourselves to any principle. It contains no special principle that is not in the old measure. There are detail changes. The principal changes are the two I have defined: first, the restriction of the rights of the patentee to a much briefer period and the placing of more onerous obligations upon him; and, second, the appointment of the head of the branch by Order in Council rather than by the Civil Service Commission —if that can be considered a principle. The other changes are perhaps more important than the second I have just named, but they are undoubtedly details.

The honourable senator has asked: is the Commissioner of Patents under this Bill to be elevated to the rank of a Deputy Minister? He is not. He still is the head of a branch, but he is being selected as a Deputy Minister is selected because of the importance of his office—the technical knowledge, and especially the legal knowledge, that he must possess. It is apparent that that office should be filled by the Government itself. But of course this is a detail which is entirely at the disposition of the House. If we do not like it we can change it.

Hon. Mr. MURPHY: May I ask the right honourable gentleman a question? Heretofore, as I recall, patents and copyright have been dealt with in the same branch of a department. Do I understand the right honourable gentleman to say that the new Bill deals only with patents, not with copyright?

Right Hon. Mr. MEIGHEN: I think the Bill deals only with patents, though I confess I have not yet read it in its entirety. Copyright comes under another Act, but the same branch deals with both patents and copyright.

I give just a few figures. During the past fiscal year there were before this branch 58,904 official transactions. Applications for patents alone totalled 9,267. The examination of applications by the expert officers of the department resulted in the allowance of 9,621, and the number of patents actually issued was 9,122. Besides these there were a large number of assignments of patents, and the deeds registered totalled 6,577. Then in the Patent Office there is the Copyright Branch. Copyright registrations last year numbered 2,537.

Hon. Mr. PARENT: May I ask whether that includes the trade-mark branch?

Right Hon. Mr. MEIGHEN: Trade-marks and copyrights are different, but I am satisfied that trade-marks are under the same branch. The honourable senator from Russell (Hon. Mr. Murphy) would be certain as to that.

Hon. Mr. McMEANS: I should like to suggest to the right honourable leader of the Government that he refer this Bill to a special committee. The Committee on Trade Relations consists of only nine members.

Right Hon. Mr. MEIGHEN: I meant the Committee on Banking and Commerce.

Hon. Mr. LEMIEUX: Does the department still issue the fine review that it issued in former days? I have not seen it for several months.

Right Hon. Mr. MEIGHEN: The Patent Record?

Hon. Mr. LEMIEUX: Is it still published?

Right Hon. Mr. MEIGHEN: I think so.

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

INTERNATIONAL LABOUR CONVENTION

SEAMEN'S ARTICLES OF AGREEMENT

Right Hon. Mr. MEIGHEN moved:

That it is expedient that Parliament do approve of the Convention concerning Seamen's Articles of Agreement adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Ninth Session in Geneva on the 24th day of June, 1926, reading as follows—

Hon. Mr. DANDURAND: I would ask His Honour the Speaker to suspend the reading of this resolution, because I intend to ask the right honourable gentleman to postpone the consideration of these conventions for a few days—perhaps until the first of next week—so that I may have an opportunity of examining them. I confess that I have not read them, and I think they are of such importance that the members of the Senate should have the privilege of examining them carefully before expressing an opinion upon them. There is a constitutional question involved in one of them which may call for some debate—I know that I intend to address myself to that question—and I think we could well afford to postpone consideration until next week.

Right Hon. Mr. MEIGHEN: I certainly will not resist, with any intention of finality, the suggestion made by my honourable friend. I think perhaps an examination of the conventions might be somewhat facilitated, made easier of approach, if I were to say a few words now, not with relation to the merits of the resolutions, but with regard to considerations affecting the question whether they are properly before us at this time. These considerations received a great deal of attention when the resolutions were before the other House.

I have moved only one resolution, that relating to the convention concerning seamen's articles of agreement, but that motion will be followed, immediately or later, by others. Honourable members well know that anything affecting seamen's articles of agreement comes under shipping, and consequently is an undoubted federal prerogative. The next convention, re the marking of the weight on heavy packages, also has to do with shipping, and here again the same remarks apply. Manifestly the third convention, re the loading of ships, is in the same category. The next convention refers to the eight-hour day in industry, and then there is the convention regarding the weekly day of rest. There are five in all. Honourable members will have no difficulty in apprehending that the first three subjects, historically, and without debate, have always been regarded as within the purview of the Federal Parliament. It is only when we come to the next two that very close attention is required in order that we may decide intelligently whether it is well to deal with them in this Parliament in the way suggested. I do not think I am going too far in saying that historically we have ordinarily regarded the determination of the hours of labour per day as a provincial responsibility. We have not regarded the subject of a weekly day of rest as a provincial responsibility, but only, I fancy, because we have always dealt with it under the Criminal Code, and have what we know as the Lord's Day Act.

Any remarks I may make now will be not by way of argument at all, but only by way of introduction to the general subject, in the hope that they may be of value to honourable members in emphasizing the real nature of the problem we face. They will be directed to this one convention relating to the day of rest. I shall move the resolution later, but my remarks may be made now.

Right Hon. Mr. GRAHAM: Is it the convention referring to the weekly rest or the one referring to the eight-hour day?

Right Hon. Mr. MEIGHEN: I mean the convention relating to the eight-hour day, because that is the one which any honourable member would select as protruding objectionable features from the standpoint of the Constitution, if he were disposed to contend that as to any one of the conventions.

This is in the form of a convention drawn up by the International Labour Organization and adopted by it, but adopted only as a draft convention for submission to the members of

the League of Nations who signed the Treaty of Versailles. Certain provisions of that treaty, in addition to those establishing the League of Nations, impose on the signatory powers obligations with respect to any agreement arrived at by the International Labour Organization and accepted by the parliaments of the countries which are parties to the agreement. The agreement in this case comes to Canada in the form of a draft convention. It has been before the Government of Canada for some considerable time, though it has not been specifically dealt with.

Hon. Mr. DANDURAND: Has it not been referred to the provinces?

Right Hon. Mr. MEIGHEN: It has not been specifically dealt with in any legislative sense. As to the question how it ought to be treated legislatively, it has been dealt with by way of a discussion—one might even say by way of a decision—through an Order in Council of November, 1920, I think. It has also been dealt with by a reference to the Supreme Court of Canada for the advice or decision of that Court as to what the obligation of Canada was with regard thereto. I want to make clear to honourable members that it has been before us only as a draft convention. The Order in Council expressed the view, which was confirmed by the Supreme Court, that in so far as the obligation was concerned it was necessary only to refer the matter to such legislatures of Canada as under our Constitution have jurisdiction in the premises. I hope honourable members have noted the use of the word "obligation." Such was the only obligation upon us. I have no doubt that the obligation, so described, was fulfilled by the reference to the lieutenant-governors of the provinces, the Government considering that the provinces were the bodies which under our Constitution had legislative power.

I have laid before honourable members the base, upon which I purpose to add just a few words. We may say that certainly the obligation to which I have referred was the only obligation upon us. But this is far from saying that the Government does not possess power beyond that. There has been a considerable development—one might possibly describe it as an evolution—in constitutional law as finally decided by our courts and the Privy Council. There necessarily must be evolution in constitutional jurisprudence, because of the evolution of business, because of the larger interprovincial and international aspects which business takes upon itself from year to year. The more recent and more important advances—or decisions, if that term is preferred—have been made in the celebrated aeronautics and radio cases. Aeronautics were never thought of, still less was radio, when the British North America Act was passed. In those times it was never for a moment assumed that Canada would some day be acting as an autonomous power, with all the appurtenances of nationhood. It was rather considered that whenever she acted internationally it would be only as a member of the British Empire. Therefore in coming to conclusions in the matters submitted in these two celebrated cases, the judges had to take into account these recent developments and consider how the great principles of our constitutional pact could be applied to them, and how the interpretations had to be governed by these recent and far-reaching evolutions.

Consequently the lawyers in the House, and indeed all honourable members who address themselves to this subject with a view to getting a really intelligent grasp of it, will find it necessary to read the judgments in these two cases. Having read them, they will ask themselves this question: though the subject-matter of this eight-hour day draft convention has historically been dealt with, and regarded as properly dealt with, by the provinces, is it not now one which comes well within the purview of the decision in the radio case especially, and indeed within the broad principles of the decision in the aeronautics case as well? As business evolves and intertwines it becomes less and less of a local and private character and more and more widespread and national. I venture to put this question to honourable members: is it ever going to be possible for Canada to make any real progress in the way of keeping itself abreast of the advances in social legislation throughout the world, taking its place with the rest of the forward powers and in spirit as in letter complying with the obligations under the Treaty of Versailles, especially those features of that treaty related to the Labour Organization, if we are always going to say that we must wait until all the provinces are in agreement? Shall we ever be able to get on at all if we continue to throw these problems back on Ontario to-day, on Quebec to-morrow, and on some other province the next day? If we cannot get on in that way, then surely our Constitution is broad enough to enable us to act as a whole body, as one country, which indeed we are. It is in an effort so to act, an effort based on the belief that these later decisions in particular give us the power so to act, that we are bringing forward these measures, which we hope will take statutory form. In this respect I have particular refer-

ence to the draft convention relating to hours of labour per day.

I hope honourable members of this House, and particularly those who have had training and experience in the law, will devote to an intensive study of this subject the time between now and the date which my honourable friend opposite suggests for fuller consideration of it. In the Senate we are favoured in having as members some honourable gentlemen who have long stood in the front ranks of the legal profession in our country. Not only do they possess a great store of learning in the law, but they have had long experience in practice. Here is an opportunity for them to render to our country that service for which they are especially qualified. I hope that they will bring their great powers to bear upon the discussion of these matters, and particularly the two much disputed resolutions.

Right Hon. Mr. GRAHAM: May I ask the right honourable gentleman whether his argument is not in favour of an amendment of the Constitution rather than an evasion of what have always been considered its terms?

Right Hon. Mr. MEIGHEN: No, I did not intend it to be so at all. I am sure that my right honourable friend, with his long parliamentary experience, will be able to read the decisions in those cases just as intelligently as any lawyer in the House. If he reads them he will find that when we make an agreement, as we do when we adopt a convention, if it is made by Canada as a component part of the Empire—and I emphasize that relationship at the moment—then, undoubtedly, no matter what may have been the jurisdiction on the subject before, the carrying into effect of the obligations so assumed by the country is a purely federal responsibility. That has been held in the aeronautics case, without any question, and in fact it was not subject to dispute before that case was decided.

But there is still another complication. In respect to, say, all matters of radio, Canada made her convention or agreement with other countries on this continent, I think all together, not as a component part of the Empire at all. Therefore she could not come under section 132 of the British North America Act and could not get jurisdiction under it. She acted as an autonomous country, and His Majesty signed the convention on the advice of the ministers of Canada. But the lords of the Privy Council held—and this illustrates the value of that tribunal—that inasmuch as there could be only one body competent practically to carry into effect any agreement made, the subject-matter of that agreement must be considered to come within the peace, order and good government terms of section 92. Such was the pronouncement in the very latest case. It is believed this matter comes under the principles there enunciated and relied upon, and which must be held now to be principles in permanent effect.

But as a practical matter, throwing aside legalistic terms of every sort, I do ask honourable members to consider whether any other course is open to us. Are we not inclined, perhaps with all the plausibility in the world, perhaps being able even to quote in our favour decisions of ten or twenty years ago, to use the provinces as a shield to protect us from criticism because of our evasion of responsibility to implement an engagement which we entered into?

Hon. Mr. CALDER: Passing the buck.

Right Hon. Mr. GRAHAM: No, stealing the buck.

Hon. Mr. LEMIEUX: I have followed the right honourable gentleman's explanation very sympathetically, because he generally knows what he is talking about, but I do not quite agree with him when he says that in the interpretation of our Constitution we must be guided by the principle of evolution. If I understand my right honourable friend aright, evolution according to him would be revolution in the provincial sense.

After Confederation Sir John A. Macdonald and other authorities asserted federal rights in cases where there was invasion of provincial rights according to other great constitutionalists like Edward Blake and Sir Oliver Mowat. The Ontario Streams Bill and the question of licences, among other questions, were brought before the Privy Council, and each time the Privy Council decided in favour of the provinces, on the ground that the British North America Act clearly states to which jurisdiction such and such a matter appertains.

Now, evolution may be a very fine theory, but I adhere strictly to the principles which were advocated forty or fifty years ago by such eminent constitutionalists as Sir John A. Macdonald, Edward Blake and Sir Oliver Mowat. I stand irrevocably for provincial rights, unless it has been demonstrated by the right honourable gentleman's very able argument this afternoon that we are in the wrong, and that we must, so to speak, blast our way through the Constitution. I am ready to study the matter, but it seems to me that the very ingenious theory advanced by

the right honourable gentleman would nullify all provincial rights.

I agree with the right honourable gentleman that with respect to the three conventions dealing with shipping and other matters of trade and commerce, we have jurisdiction; but as regards civil laws, such as hours of labour, and so on, these, I submit, come directly under the jurisdiction of the provinces.

This is a most important matter, a matter which awakens in our minds the great legal fights of the past. Would not the Government be in a stronger position—I will not say to railroad this legislation through the Senate, because the right honourable gentleman does not intend to do so, but would it not strengthen the position of the Government if, before asking this House to pass the proposed legislation, the question at issue were submitted for the opinion of the Supreme Court?

The right honourable gentleman a moment ago referred to the ruling of the Supreme Court on the reference made to it. I gather from his remarks that he thinks the answer of the Supreme Court was not complete, and he finds a way of escape, in favour of the present legislation, even according to that ruling.

Right Hon. Mr. MEIGHEN: The answer was complete, but the questions submitted were not complete.

Hon. Mr. LEMIEUX: But surely the Orders in Council passed by both Governments, Liberal and Conservative, and the opinions given by the Attorneys-General of Ontario and Quebec count for something. I have the highest regard for the opinion of Mr. Taschereau, an able and alert lawyer. I have, too, the highest regard for the opinion of the present Attorney-General of Ontario, Mr. Roebuck, and that of his predecessor, Mr. Price. And I say again that the Government would be much stronger in its position if it were supported by the latest opinion of the Supreme Court with respect to this matter. I am bound to say to the right honourable leader that grave doubts are entertained all over Canada as to the legality of this projected legislation, notwithstanding the two cases of aeronautics and radio just quoted by him. However, I am ready to listen and be convinced, if conviction can be secured based on a sound legal argument.

Hon. Mr. TANNER: Does my honourable friend think that the Supreme Court of Canada would overrule a decision of the Privy Council?

Hon. Mr. DANDURAND: But there is no decision of the Privy Council on this question.

Hon. Mr. TANNER: There is a decision on the principle.

Hon. Mr. DANDURAND: The right honourable gentleman has not said so.

Hon. Mr. POPE: Cannot anyone else say so if he wishes to?

Right Hon. Mr. GRAHAM: Then he makes a mistake.

The Hon. the SPEAKER: Shall this motion stand?

Hon. Mr. DANDURAND: Stand.

Right Hon. Mr. MEIGHEN: It is understood that, if so desired, it will stand until we reassemble next week; but perhaps honourable members will be prepared to consider the first three resolutions to-morrow.

Hon. Mr. DANDURAND: Say Tuesday evening.

Right Hon. Mr. MEIGHEN: We can put them all through at once just as easily as one, I suppose. If the honourable member prefers to leave them all till Tuesday, I am quite satisfied.

Hon. Mr. DANDURAND: All right.

The motion stands.

PRECIOUS METALS MARKING BILL

MOTION FOR THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 2, an Act to amend the Precious Metals Marking Act, 1928.

He said: Honourable members, when this Bill was up for third reading yesterday I promised an answer as to what would be the length of the prescription before entering action if the present prescription of six months were abolished. I intimated to my honourable friend yesterday that I was satisfied there still would be a limitation. I find that I was wrong. There will not be any—and that is exactly what the department wants, no limitation.

Right Hon. Mr. GRAHAM: No limit.

Right Hon. Mr. MEIGHEN: What I am told is this. If there is a sale of an article of jewellery which does not bear the marking provided for by the Act, that sale is a violation. The article is sold by the manufacturer to the wholesaler or the retailer: it may lie on their shelves for three years before being sold to the consumer, and it may be

another two years before the purchaser finds that it is not as marked. Five years will have elapsed. Under the law as it now stands there could be no prosecution after the lapse of six months. Consequently it is intimated that there should be no limitation.

Hon. Mr. DANDURAND: I am somewhat doubtful of the orthodoxy of this proposition. I appreciate the reasonableness of extending the period from the date of the sale; but if suit is taken two, three, five or ten years later, how is the accused to be in a position to defend himself when, through the demise of the clerks in the store, and so forth, all the evidence concerning the sale has disappeared? It seems hard that a law should go on our Statute Book which would allow anyone to prosecute for an offence five, ten or fifteen years after it had been committed. I took it for granted, of course, that there was some limitation under the criminal law. I am not ready to say whether or not there is any precedent for such a sweeping enactment as this. There may be. Of course, you may instance murder and one or two other crimes, perhaps, that can be followed without limitation; but in matters like the violation of a trade-mark I wonder whether it is good law to say there shall be no limitation.

Right Hon. Mr. MEIGHEN: As a rule it is not good law, because of the difficulty encountered by the accused, as intimated by my honourable friend (Hon. Mr. Dandurand), of producing evidence after many years. But does that difficulty exist in this case? A manufacturer is accused of placing a wrong marking, or no marking at all, on his goods. These goods are sold by him to a retailer, who later sells them to a customer. It is the customer who is mulcted, the customer who loses, and it is the customer we are seeking to protect. Now, if after fifteen years, say, it is found for the first time that there was a false marking, and a man is accused, of what is his evidence going to consist? He does not have to go back to any clerks; he is not dependent upon the life of anybody. All that is in issue is, first, the statute which provides what should have been done, and, second, the article in question. The article must be produced. So the accused is not handicapped at all. An offence under this law is not a matter of doing an act the proof of which depends on witnesses. The proof depends only on the production of the article sold; consequently the accused is not imperilled by the passage of time.

Hon. Mr. DANDUDAND: In that case the argument would be as to the marking, but I think my right honourable friend will find that there are clauses in the Bill where the question of marking is not involved. This Bill says:

> "Mount" means any part, other than the plating of silver, of an article of silver plated ware attached to the body of the article.

Hon. Mr. BELAND: What clause is that?

Hon. Mr. DANDURAND: I am reading clause 1. The old section said:

> "Mount" means any part, other than the plating of silver, of an article of silver plated ware applied or attached to the body of the article.

We are striking out the words "applied or." In a suit under this clause, brought ten or fifteen years after the offence of making a sale has been committed, how could the defendant establish that the article was manufactured before this enactment became law? It will not be easy for a person to defend himself when he is accused of violation of this Act. He will have to establish that the article was produced or manufactured prior to the coming into force of this Act. If there is no limitation, some of the other clauses also, I think, will cause grave difficulty on the part of the defendant in an action based on a sale made ten or fifteen years earlier. I fear that in many cases the removal of the limitation will work a hardship on the defendant.

Right Hon. Mr. MEIGHEN: In such a case as my honourable friend suggests, the duty would be on the prosecutor to prove the time of the sale. The defendant has only to show that the article complied with the law at the time of the sale, as given by the prosecutor, and no doubt the article itself would be produced as proof. But I should not like to say there might not be an instance where the case of the defendant depended on the evidence of witnesses, and he would be placed in a precarious position on account of mortality. Consequently I would suggest that if the honourable gentleman so desires, the third reading be deferred until to-morrow, so that we may examine and see whether there are any clauses which should be excepted and left under the old limitation.

Hon. Mr. DANDURAND: Why not wait until Tuesday night? That would give more time.

Right Hon. Mr. MEIGHEN: Very well.

Hon. Mr. DANDURAND: The right honourable gentleman might ask the department to examine into the working of this Act.

Right Hon. Mr. MEIGHEN: Yes.

The motion for third reading stands.

ELECTRICITY INSPECTION BILL

FIRST READING

A message was received from the House of Commons with Bill 18, an Act to amend the Electricity Inspection Act, 1928 (French Version).

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: Next sitting of the House.

Hon. Mr. DANDURAND: Why the next sitting of the House? Copies of the Bill have not yet been distributed. Our regulations provide for forty-eight hours' notice of motion for second reading. If there is no necessity for hurry, why should we not follow the rule?

Right Hon. Mr. MEIGHEN: Very well. Tuesday next.

PRIVATE BILL

FIRST READING

Hon. Mr. BEAUBIEN introduced Bill B, an Act respecting the Canadian Marconi Company.

The Bill was read the first time.

Hon. Mr. LEMIEUX: What is the object of the Bill?

Hon. Mr. BEAUBIEN: I intend to state that on the motion for second reading. The matter is very simple, I understand, but I shall be better equipped to explain it when it comes up on Tuesday next.

Hon. Mr. DANDURAND: I notice that honourable members who have come from the other House are inclined to ask for explanations on first readings. The practice in this Chamber has always been to explain on the second reading.

DISTRIBUTION OF COMMONS BILLS

On the motion to adjourn:

Hon. Mr. BELAND: Before the adjournment may I call the attention of the right honourable gentleman to a simple matter. It seems to me that honourable members of this House should be provided with a copy of every Bill which is introduced into the other House. I have in mind a very important Bill, relating to unemployment insurance, which was introduced in another place yesterday by the Prime Minister. There was no copy of that Bill in my mail to-day. I am not very conversant with our rules, but is it not customary that a Bill of this kind should be distributed to members of the Senate? If that is not the custom, it should be.

The Hon. the SPEAKER: We usually receive copies of Bills as soon as they are available from the Printing Bureau. The honourable gentleman may find a copy of the Bill to which he has referred in his post office box this afternoon.

Right Hon. Mr. MEIGHEN: I may say to my honourable friend that I really do not know what the practice is here. I was under the impression that we did not get the bills until they came before our House, but my honourable friend from Pembroke (Hon. Mr. White) tells me I am wrong. I shall look into the matter and give an answer to-morrow.

Hon. Mr. DANDURAND: I have just obtained information from the Clerk. After the bills have been given a first reading in the other House they are distributed separately to members of the Senate, and after third reading they are placed on our file. So we get them after the first reading.

Hon. Mr. BELAND: In what way are they distributed?

Right Hon. Mr. MEIGHEN: Through the mail.

Hon. Mr. BELAND: Well, I have not had a copy of that important Bill.

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

THE SENATE

Thursday, February 14, 1935.

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

Prayers and routine proceedings.

PATENT BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented, and moved concurrence in, the following report of the Standing Committee on Banking and Commerce on Bill A, an Act to amend and consolidate the Acts relating to Patents of Invention:

The committee recommend that they be authorized to print from time to time one thousand copies of the proceedings of the committee on the said Bill, and that rule 100 be suspended in so far as it relates to the said printing.

Hon. Mr. PARENT: May I ask if the recommendation covers the printing of the proceedings in French?

Hon. Mr. BLACK: That question did not come up at the meeting of the committee. My understanding is that the proceedings will be printed in English.

Right Hon. Mr. MEIGHEN: I am inclined to think there should be a certain number of copies printed in French. I notice that the president of the Institute of Patent Attorneys is a French Canadian. If the motion for concurrence passes it will be time enough at the next meeting of the committee to decide the number of copies to be printed in each language, but I can assure the honourable member there will be a proportion printed in French.

The motion was agreed to.

IMPORTATION OF BUTTER

INQUIRY

Hon. Mr. BELAND inquired of the Government:

1. What quantity of butter was imported during the year 1934 (a) from New Zealand; (b) from Australia?
2. What quantity was imported from the two countries (a) by the Government; (b) by individuals?

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

1. Calendar year 1934: (a) from New Zealand, 627,108 pounds; (b) from Australia, nil.

2. During the calendar year 1934, imports from the two countries: (a) by the Government, nil; (b) by individuals—from New Zealand, 627,108 pounds; from Australia, nil.

CANADA'S WAR POLICY

PROPOSED RESOLUTION

Hon. J. J. HUGHES rose to move the following resolution:

That in the opinion of this House, should Canada ever again be at war with one or more nations, she shall wage it with every ounce of her strength in man and material power;

That the declaration of war or the beginning of hostilities shall be followed immediately by the mobilization and the conscription of all the human power and all the material wealth of the nation;

That a War Council representing all the provinces and the Government shall be formed and shall have supreme control of all war activities and orders;

That said Council shall have the power to assign every man and woman in Canada to whatever position it thinks they are best qualified to fill, but making as few changes as possible in the daily occupations of the people;

That the wages, salary or income for personal use or retention of no person in the Dominion from the Governor General down, including the officers of the Army, shall be greater than the pay of the common soldier in the field, plus a reasonable amount for dependents;

That no money be borrowed or debts incurred for the prosecution of the war, or for demobilization;

That all the expenses of the war and of demobilization shall be met by taxation and capital levies, so that at the end of the war and of demobilization the debt of the country would be no larger than it was at the beginning of the war.

He said: Honourable senators, there is not much likelihood of Canada ever being engaged in another war, but if there were no possibility of such a calamity occurring, the resolution standing in my name would be superfluous, if not foolish.

We are a favoured people in many respects, and our immunity from the dread of war is not the least of our favours. We do not intend, and we are not preparing, to attack any nation in the world, and no nation intends or is preparing to attack us. Can we ever be sufficiently thankful to God for such a position, particularly when we look abroad and see the nations of Europe and Asia spending more than twice as much a year in preparing for the next war as they spent in getting ready for the last one?

When we read of all the treaties, pacts, alliances and conventions that have been formed by the nations to prevent war, and read the next day that the same nations are speeding up their armament factories in order to be ready for the next war—which may come from the sky with the rapidity of lightning, sparing neither age nor sex nor condition in its destruction,—we are appalled by the picture and are forced to ask ourselves, if we be Christians, whether God has forsaken the world or the world has abandoned God.

A week or two ago I read on the bulletin board of the Dominion Church in this city that the pastor would lecture or preach the following Sunday on the subject, "Is Ontario Sane?" He might well have enlarged his subject and asked if the world was sane. At all events, speaking by and large, this at least is certain, that man has lost all faith in his fellow man. Nations no longer believe in the

honour of nations. The most solemn pacts and alliances are broken, or may be broken, if advantage can be obtained by breaking them. It was not always thus. There was a time in the Middle Ages, or the Dark Ages, as they are sometimes called, when, in all the affairs of life, the knightly word of kings, princes and rulers was taken, and could be taken with confidence.

I believe it is a sound principle of Christian doctrine that as faith in God weakens, faith in man disappears; that faith in man is impossible without faith in God; that a sanely ordered world is impossible without faith in God and man. As I see it, from my very limited point of view, the world in its national and international relations thinks it can get along without God, and that is the mistake of mistakes.

The United States in its refusal to join the League of Nations and the World Court of Justice has some argument in its favour, but not enough. Every nation in the world would suffer, and suffer severely, in another world war, and it would be hard to imagine any major nation keeping out of actual participation in such a conflict. Every man born into this world has his duties and responsibilities, and he is not the highest type of humanity who tries to evade his duties. In like manner every nation has its duties and responsibilities. Humanly speaking, the United States has the power to save or to destroy the world. Samson had the strength to pull down the pillars of the Temple and bury himself in the ruins, but few think that Samson's wisdom was equal to his strength. Nevertheless, we must not overlook the contribution the great Republic has made to humanity, even in war. Freedom and respect for the rights of the conquered followed its arms wherever they went. It was the first nation in the world that did the unheard of thing of paying a war indemnity to a vanquished foe for the territory it had conquered.

Right Hon. Mr. MEIGHEN: Who did that?

Hon. Mr. HUGHES: The United States.

Right Hon. Mr. MEIGHEN: What territory?

Hon. Mr. HUGHES: The Philippine Islands. It paid Spain $20,000,000.

When the people of the United States make up their minds, as they will some time, to join the World Court of Justice and the League of Nations, they will do so in a manner worthy of themselves. The recent accord entered into, in respect to aerial warfare, by our Motherlands, Great Britain and France, which will likely be joined by Italy, Germany and the other nations of Europe, must gladden the hearts of men of good-will everywhere. It may, under God, be the turning point in world affairs, and it certainly would be if the full partnership of America were obtained; but whatever our southern friends may do, Europe, with God, can save itself.

The resolution which I have the honour to move means much. The glory, the pride and the profit should have been taken out of war long ago; but it is never too late to mend. To me it seems to be a monstrous thing that in war, or in any other conceivable circumstance, property should be regarded as more sacred than human life. In my opinion, not all the wealth of Canada, nor all the wealth of the world, is equal in value to one human life. Yet there may be such a thing as a righteous war, a war in which men would be in duty bound to offer their lives. While in the last war in which we were engaged some men were conscripted at $1.10 a day to fight in the trenches, where filth and misery and death prevailed, others were coaxed to work in the factories or were allowed to follow their ordinary occupations at many dollars a day. Why, I even read of a business concern making five millions of dollars out of one bacon contract during the War, then investing the thousands and the millions so made in high-interest-bearing, non-taxable, non-callable bonds, with the payment of which we are still struggling. And in these respects Canada was no worse than, if as bad as, any of the other participating nations. If there is any justice in that kind of thing, I have no conception of what justice means.

War has become revolutionized. It is to be no longer confined to professional soldiers. Women and children, the aged and the sick are to be its chief victims in future. Some men are endowed with greater intellectual strength than others, and are given better opportunities for developing this strength. If these men would not willingly and freely give to their country in her hour of need what they freely received, they would exhibit unmistakable proof of their unfitness to be officers.

We must not go too far, however, in our condemnation of what took place in the last war. We were new in the business and naturally made many mistakes. From time immemorial war has meant glory and profit for the few and death for the many. The last one surpassed all previous wars in these respects, and we are told that if there is another it will be a thousandfold worse than that. Let us, therefore, highly resolve that we will do

what we can to see that there shall never be another. If the people in all the democratic countries, that is, the countries in which they still have a voice in the management of national affairs, would unite in declaring that should the demon of war ever again visit them all would bear alike its horrors and its burdens, I believe that such a general resolve on the part of the masses—and surely the classes as well—might do much to rid the earth of this monstrous evil. This is my prayer, at all events.

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

The Senate adjourned until Tuesday, February 19, at 8 p.m.

THE SENATE

Tuesday, February 19, 1935.

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

Prayers and routine proceedings.

INTERNATIONAL LABOUR CONVENTIONS

SEAMEN'S ARTICLES OF AGREEMENT

Right Hon. Mr. MEIGHEN moved:

That it is expedient that Parliament do approve of the Convention concerning Seamen's Articles of Agreement adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Ninth Session in Geneva on the 24th day of June, 1926, reading as follows:—

Convention Concerning Seamen's Articles of Agreement

The General Conference of the International Labour Organization of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Ninth Session on 7th June, 1926, and

Having decided upon the adoption of certain proposals with regard to seamen's articles of agreement, which is included in the first item of the agenda of the Session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-fourth day of June of the year one thousand nine hundred and twenty-six, the following draft convention for ratification by the Members of the International Labour Organization, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace:

Article 1.—This convention shall apply to all seagoing vessels registered in the country of any Member ratifying this convention, and to the owners, masters and seamen of such vessels.

It shall not apply to:

ships of war,

Government vessels not engaged in trade,

vessels engaged in the coasting trade,

pleasure yachts,

Indian country craft,

fishing vessels,

vessels of less than 100 tons gross registered tonnage or 300 cubic metres, nor to vessels engaged in the home trade below the tonnage limit prescribed by national law for the special regulation of this trade at the date of the passing of this convention.

Article 2.—For the purpose of this convention the following expressions have the meanings hereby assigned to them, viz.:

(a) The term "vessel" includes any ship or boat of any nature whatsoever, whether publicly or privately owned, ordinarily engaged in maritime navigation.

(b) The term "seaman" includes every person employed or engaged in any capacity on board any vessel and entered on the ship's articles. It excludes masters, pilots, cadets and pupils on training ships and duly indentured apprentices, naval ratings, and other persons in the permanent service of a Government.

(c) The term "master" includes every person having command and charge of a vessel except pilots.

(d) The term "home trade vessel" means a vessel engaged in trade between a country and the ports of a neighbouring country within geographical limits determined by the national law.

Article 3.—Articles of agreement shall be signed both by the shipowner or his representative and by the seaman. Reasonable facilities to examine the articles of agreement before they are signed shall be given to the seaman and also to his adviser.

The seaman shall sign the agreement under conditions which shall be prescribed by national law in order to ensure adequate supervision by the competent public authority.

The foregoing provisions shall be deemed to have been fulfilled if the competent authority certifies that the provisions of the agreement have been laid before it in writing and have been confirmed both by the shipowner or his representative and by the seaman.

National law shall make adequate provision to ensure that the seaman has understood the agreement.

The agreement shall not contain anything which is contrary to the provisions of national law or of this convention.

National law shall prescribe such further formalities and safeguards in respect of the completion of the agreement as may be considered necessary for the protection of the interests of the shipowner and of the seaman.

Article 4.—Adequate measures shall be taken in accordance with national law for ensuring that the agreement shall not contain any stipulation by which the parties purport to contract in advance to depart from the ordinary rules as to jurisdiction over the agreement.

This Article shall not be interpreted as excluding a reference to arbitration.

Article 5.—Every seaman shall be given a document containing a record of his employment on board the vessel. The form of the

document, the particulars to be recorded and the manner in which such particulars are to be entered in it shall be determined by national law.

The document shall not contain any statement as to the quality of the seaman's work or as to his wages.

Article 6.—The agreement may be made either for a definite period or for a voyage or, if permitted by national law, for an indefinite period.

The agreement shall state clearly the respective rights and obligations of each of the parties.

It shall in all cases contain the following particulars:

(1) The surname and other names of the seaman, the date of his birth or his age, and his birthplace;

(2) The place at which and date on which the agreement was completed;

(3) The name of the vessel or vessels on board which the seaman undertakes to serve;

(4) The number of the crew of the vessel, if required by national law;

(5) The voyage or voyages to be undertaken, if this can be determined at the time of making the agreement;

(6) The capacity in which the seaman is to be employed;

(7) If possible, the place and date at which the seaman is required to report on board for service;

(8) The scale of provisions to be supplied to the seaman, unless some alternative system is provided for by national law;

(9) The amount of his wages;

(10) The determination of the agreement and the conditions thereof, that is to say:

(a) if the agreement has been made for a definite period, the date fixed for its expiry;

(b) if the agreement has been made for a voyage, the port of destination and the time which has to expire after arrival before the seaman shall be discharged;

(c) if the agreement has been made for an indefinite period, the conditions which shall entitle either party to rescind it, as well as the required period of notice for rescission; provided that such period shall not be less for the shipowner than for the seaman;

(11) The annual leave with pay granted to the seaman after one year's service with the same shipping company, if such leave is provided for by national law;

(12) Any other particulars which national law may require.

Article 7.—If national law provides that a list of crew shall be carried on board it shall specify that the agreement shall either be recorded in or annexed to the list of crew.

Article 8.—In order that the seaman may satisfy himself as to the nature and extent of his rights and obligations, national law shall lay down the measures to be taken to enable clear information to be obtained on board as to the conditions of employment, either by posting the conditions of the agreement in a place easily accessible from the crew's quarters, or by some other appropriate means.

Article 9.—An agreement for an indefinite period may be terminated by either party in any port where the vessel loads or unloads, provided that the notice specified in the agreement shall have been given, which shall not be less than twenty-four hours.

Notice shall be given in writing; national law shall provide such manner of giving notice as is best calculated to preclude any subsequent dispute between the parties on this point.

National law shall determine the exceptional circumstances in which notice even when duly given shall not terminate the agreement.

Article 10.—An agreement entered into for a voyage, for a definite period, or for an indefinite period shall be duly terminated by:

(a) mutual consent of the parties;

(b) death of the seaman;

(c) loss or total unseaworthiness of the vessel;

(d) any other cause that may be provided in national law or in this convention.

Article 11.—National law shall determine the circumstances in which the owner or master may immediately discharge a seaman.

Article 12.—National law shall also determine the circumstances in which the seaman may demand his immediate discharge.

Article 13.—If the seaman shows to the satisfaction of the shipowner or his agent that he can obtain command of a vessel or an appointment as mate or engineer or to any other post of a higher grade than he actually holds, or that any other circumstance has arisen since his engagement which renders it essential to his interests that he should be permitted to take his discharge, he may claim his discharge, provided that without increased expense to the shipowner and to the satisfaction of the shipowner or his agent he furnishes a competent and reliable man in his place.

In such case, the seaman shall be entitled to his wages up to the time of his leaving his employment.

Article 14.—Whatever reason for the termination or rescission of the agreement, an entry shall be made in the document issued to the seaman in accordance with Article 5 and in the list of crew showing that he has been discharged, and such entry shall, at the request of either party, be endorsed by the competent public authority.

The seaman shall at all times have the right, in addition to the record mentioned in Article 5, to obtain from the master a separate certificate as to the quality of his work or, failing that, a certificate indicating whether he has fully discharged his obligations under the agreement.

Article 15.—National law shall provide the measures to ensure compliance with the terms of the present convention.

Article 16.—The formal ratifications of this convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary-General of the League of Nations for registration.

Article 17.—This convention shall come into force at the date on which the ratifications of two Members of the International Labour Organization have been registered by the Secretary-General.

It shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

Thereafter, the convention shall come into force for any Member at the date on which its ratification has been registered with the Secretariat.

Article 18.—As soon as the ratification of two Members of the International Labour Organization have been registered with the Secretariat,

the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organization.

Article 19.—Subject to the provisions of Article 17, each Member which ratifies this convention agrees to bring the provisions of Articles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 into operation not later than 1 January 1928, and to take such action as may be necessary to make these provisions effective.

Article 20.—Each Member of the International Labour Organization which ratifies this convention engages to apply it to its colonies, possessions and protectorates, in accordance with the provisions of Article 421 of the Treaty of Versailles and of the corresponding Articles of the other Treaties of Peace.

Article 21.—A Member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Article 22.—At least once in ten years, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision or modification.

Article 23.—The French and English texts of this convention shall both be authentic.

And that this House do approve of the same.

He said: Honourable senators, there are on the Order Paper five of these motions for the approval of certain draft conventions. I think I can safely say that there is no dispute as to the wisdom of adopting the first three, inasmuch as there is no issue in the law or in point of jurisdiction as far as they are concerned. I do not think the merits of the conventions themselves are in issue. They, of course, are really what we are adopting and approving, but as far as I have learned no honourable senator takes exception to them. I suggest, then, that any debate on this subject, which I hope will be illuminating and interesting, may be reserved until we come to the fourth or fifth convention.

Hon. Mr. DANDURAND: We may adopt the first three.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: I would simply refer to the first three draft conventions, which are on our Order Paper. I have wondered why they were not approved at an earlier date, for the first was adopted in 1926, the second in 1929, and the third in 1932. I may say as to the first two I am advised that the reason for delay in bringing them to Parliament was that up to 1930, when the Statute of Westminster was enacted, the British Merchant Shipping Act applied to Canada. The law is now embodied in our Shipping Act, which was passed last year, but has not yet been proclaimed. They now come under federal jurisdiction, and for this reason there is no objection under that head.

Right Hon. Mr. MEIGHEN: I do not understand that the entire Shipping Act is awaiting proclamation. There were certain important sections of the Act to come into effect by proclamation, which proclamation is not yet issued; but the rest of the Act is effective.

Hon. Mr. DANDURAND: So, practically speaking, Canada by adopting a certain policy did conform to the desire of the Geneva conference.

Right Hon. Mr. MEIGHEN: I do not think there was any reason for earlier introduction.

The motion was agreed to.

MARKING OF THE WEIGHT ON HEAVY PACKAGES TRANSPORTED BY VESSELS

Right Hon. Mr. MEIGHEN moved:

That it is expedient that Parliament do approve of the Convention concerning the Marking of the Weight on Heavy Packages Transported by Vessels adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Twelfth Session in Geneva on the 21st day of June, 1929, reading as follows:—

Convention Concerning the Marking of the Weight on Heavy Packages Transported By Vessels.

The General Conference of the International Labour Organization of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Twelfth Session on 30 May, 1929, and

Having decided upon the adoption of certain proposals with regard to the marking of the weight on heavy packages transported by vessels, which is included in the first item of the Agenda of the Session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-first day of June of the year one thousand nine hundred and twenty-nine, the following draft convention for ratification by the Members of the International Labour Organization, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace:

Article 1.—Any package or object of one thousand kilograms (one metric ton) or more gross weight consigned within the territory of any Member which ratifies this convention for transport by sea or inland waterway shall have had its gross weight plainly and durably marked upon it on the outside before it is loaded on a ship or vessel.

In exceptional cases where it is difficult to determine the exact weight, national laws or regulations may allow an approximate weight to be marked.

The obligation to see that this requirement is observed shall rest solely upon the Government of the country from which the package or object is consigned, and not on the Government of a country through which it passes on the way to its destination.

It shall be left to national laws or regulations to determine whether the obligation for having the weight marked as aforesaid shall fall on the consignor or on some other person or body.

Article 2.—The formal ratifications of this convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary-General of the League of Nations for registration.

Article 3.—This convention shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

It shall come into force twelve months after the date on which the ratifications of two Members of the International Labour Organization have been registered with the Secretary-General.

Thereafter, this convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 4.—As soon as the ratifications of two Members of the International Labour Organization have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the Internation Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organization.

Article 5.—A Member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an Act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Each Member which has ratified this convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 6.—At the expiration of each period of ten years after the coming into force of this convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 7.—Should the Conference adopt a new convention revising this convention in whole or in part, the ratification by a Member of the new revising convention shall ipso jure involve denunciation of this convention without any requirement of delay, notwithstanding the provisions of Article 5 above, if and when the new revising convention shall have come into force.

As from the date of the coming into force of the new revising convention, the present convention shall cease to be open to ratification by the Members.

Nevertheless, this convention shall remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising convention.

Article 8.—The French and English texts of this convention shall both be authentic.

And that this House do approve of the same.

The motion was agreed to.

PROTECTION AGAINST ACCIDENTS OF WORKERS EMPLOYED IN LOADING OR UNLOADING SHIPS

Right Hon. Mr. MEIGHEN moved:

That it is expedient that Parliament do approve of the Convention concerning the Protection Against Accidents of Workers Employed in Loading or Unloading Ships (revised 1932) adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Sixteenth Session in Geneva on the 12th day of April, 1932, reading as follows:—

Convention Concerning the Protection Against Accidents of Workers Employed in Loading or Unloading Ships

The General Conference of the International Labour Organization of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Twelfth Session on 30 May, 1929, and

Having decided upon the adoption of certain proposals with regard to the protection against accidents of workers employed in loading or unloading ships, which is the second item on the Agenda of the Session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-first day of June of the year one thousand nine hundred and twenty-nine, the following draft convention for ratification by the Members of the International Labour Organization, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace:

Article 1.—For the purpose of this convention:

(1) the term "processes" means and includes all or any part of the work performed on shore or on board ship of loading or unloading any ship whether engaged in maritime or inland navigation, excluding ships of war, in, on, or at any maritime or inland port, harbour, dock, wharf, quay or similar place at which such work is carried on; and

(2) the term "worker" means any person employed in the processes.

Article 2.—Any regular approach over a dock, wharf, quay or similar premises which workers have to use for going to or from a working place at which the processes are carried on and every such working place on shore shall be maintained with due regard to the safety of the workers using them.

In particular,

(1) every said working place on shore and any dangerous parts of any said approach

thereto from the nearest highway shall be safely and efficiently lighted;

(2) wharves and quays shall be kept sufficiently clear of goods to maintain a clear passage to the means of access referred to in Article 3;

(3) where any space is left along the edge of any wharf or quay, it shall be at least 3 feet (90 cm.) wide and clear of all obstructions other than fixed structures, plant and appliances in use; and

(4) so far as is practicable having regard to the traffic and working,

(a) all dangerous parts of the said approaches and working places (e.g. dangerous breaks, corners and edges) shall be adequately fenced to a height of not less than 2 feet 6 inches (75 cm.);

(b) dangerous footways over bridges, caissons and dock gates shall be fenced to a height of not less than 2 feet 6 inches (75 cm.) on each side, and the said fencing shall be continued at both ends to a sufficient distance which shall not be required to exceed 5 yards (4 m. 50).

Article 3.—(1) When a ship is lying alongside a quay or some other vessel for the purpose of the processes, there shall be safe means of access for the use of the workers at such times as they have to pass to or from the ship, unless the conditions are such that they would not be exposed to undue risk if no special appliance were provided.

(2) The said means of access shall be:

(a) where reasonably practicable, the ship's accommodation ladder, a gangway or a similar construction;

(b) in other cases a ladder.

(3) The appliances specified in paragraph (2) (a) of this Article shall be at least 22 inches (55 cm.) wide, properly secured to prevent their displacement, not inclined at too steep an angle, constructed of materials of good quality and in good condition, and securely fenced throughout to a clear height of not less than 2 feet 9 inches (82 cm.) on both sides, or in the case of the ship's accommodation ladder securely fenced to the same height on one side, provided that the other side is properly protected by the ship's side.

Provided that any appliances as aforesaid in use at the date of the ratification of this convention shall be allowed to remain in use:

(a) until the fencing is renewed if they are fenced on both sides to a clear height of at least 2 feet 8 inches (80 cm.);

(b) for one year from the date of ratification if they are fenced on both sides to a clear height of at least 2 feet 6 inches (75 cm.).

(4) The ladders specified in paragraph (2) (b) of this Article shall be of adequate length and strength, and properly secured.

(5) (a) Exceptions to the provisions of this Article may be allowed by the competent authorities when they are satisfied that the appliances specified in the Article are not required for the safety of the workers.

(b) The provisions of this Article shall not apply to cargo stages or cargo gangways when exclusively used for the processes.

(6) Workers shall not use, or be required to use, any other means of access than the means specified or allowed by this Article.

Article 4.—When the workers have to proceed to or from a ship by water for the processes, appropriate measures shall be prescribed to ensure their safe transport, including the conditions to be complied with by the vessels used for this purpose.

Article 5.—(1) When the workers have to carry on the processes in a hold the depth of which from the level of the deck to the bottom of the hold exceeds 5 feet (1 m. 50), there shall be safe means of access from the deck to the hold for their use.

(2) The said means of access shall ordinarily be by ladder, which shall not be deemed to be safe unless it complies with the following conditions:

(a) leaves sufficient free space behind the rungs, which in the case of ladders on bulkheads and in trunk hatchways shall not be less than 4½ inches (11½ cm.), or has throughout rungs of proper width for firm foothold and handhold;

(b) is not recessed under the deck more than is reasonably necessary to keep it clear of the hatchway;

(c) is continued by and is in line with arrangements for secure handhold and foothold on the coamings (e.g. cleats or cups);

(d) the said arrangements on the coamings stand out not less than 4½ inches (11½ cm.) for a width of 10 inches (25 cm.); and

(e) if separate ladders are provided between the lower decks, the said ladders are as far as practicable in line with the ladder from the top deck.

Where, however, owing to the construction of the ship, the provision of a ladder would not be reasonably practicable, it shall be open to the competent authorities to allow other means of access, provided that they comply with the conditions laid down in this Article for ladders so far as they are applicable.

(3) sufficient free passage to the means of access shall be left at the coamings.

(4) Shaft tunnels shall be equipped with adequate handhold and foothold on both sides.

(5) When a ladder is to be used in the hold of a vessel which is not decked it shall be the duty of the contractor undertaking the processes to provide such ladder. It shall be equipped at the top with hooks for fastening it on to the coamings or with other means for firmly securing it.

(6) The workers shall not use, or be required to use, other means of access than the means specified or allowed by this Article.

(7) Ships existing at the date of ratification of this convention shall be exempt from compliance with the measurements in paragraph 2 (a) and (d) and from the provisions of paragraph 4 of this Article for a period not exceeding four years from the date of ratification of this convention.

Article 6.—While the workers are on a ship for the purpose of the processes, no hatchway of a cargo hold which exceeds 5 feet (1 m. 50) in depth from the level of the deck to the bottom of the hold and which is accessible to the workers shall be left open and unprotected, but every such hatchway which is not protected to a clear height of 2 feet 6 inches (75 cm.) by the coamings shall either be securely fenced to a height of 3 feet (90 cm.) if the processes at that hatchway are not impeded thereby or be securely covered.

Similar measures shall be taken when necessary to protect any other openings in a deck which might be dangerous to the workers.

Provided that the requirements of this Article shall not apply when a proper and sufficient watch is being kept.

Article 7.—When the processes have to be carried on on a ship, the means of access thereto

and all places on board at which the workers are employed or to which they may be required to proceed in the course of their employment shall be efficiently lighted.

The means of lighting shall be such as not to endanger the safety of the workers nor to interfere with the navigation of other vessels.

Article 8.—In order to ensure the safety of the workers when engaged in removing or replacing hatch coverings and beams used for hatch coverings,

(1) hatch coverings and beams used for hatch coverings shall be maintained in good condition;

(2) hatch coverings shall be fitted with adequate hand grips, having regard to their size and weight;

(3) beams used for hatch coverings shall have suitable gear for removing and replacing them of such a character as to render it unnecessary for workers to go upon them for the purpose of adjusting such gear;

(4) all hatch coverings and fore and aft and thwart-ship beams shall, in so far as they are not interchangeable, be kept plainly marked to indicate the deck and hatch to which they belong and their position therein;

(5) hatch coverings shall not be used in the construction of cargo stages or for any other purpose which may expose them to damage.

Article 9.—Appropriate measures shall be prescribed to ensure that no hoisting machine, or gear, whether fixed or loose, used in connection otherwith, is employed in the processes on shore or on board ship unless it is in a safe working condition.

In particular,

(1) before being taken into use, the said machines, fixed gear on board ship accessory thereto as defined by national laws or regulations, and chains and wire ropes used in connection therewith, shall be adequately examined and tested, and the safe working load thereof certified, in the manner prescribed and by a competent person;

(2) after being taken into use, every hoisting machine, whether used on shore or on board ship, and all fixed gear on board ship accessory thereto as defined by national laws or regulations shall be thoroughly examined or inspected as follows:—

(a) to be thoroughly examined every four years and inspected every twelve months: derricks, goose necks, mast bands, derrick bands, eyebolts, spans and any other fixed gear the dismantling of which is specially difficult;

(b) to be thoroughly examined every twelve months: all hoisting machines (e.g. cranes, winches), blocks, shackles and all other accessory gear not included in (a).

All loose gear (e.g. chains, wire ropes, rings, hooks) shall be inspected on each occasion before use unless they have been inspected within the previous three months.

Chains shall not be shortened by tying knots in them and precautions shall be taken to prevent injury to them from sharp edges.

A thimble or loop splice made in any wire rope shall have at least three tucks with a whole strand of rope and two tucks with one-half of the wires cut out of each strand; provided that this requirement shall not operate to prevent the use of another form of splice which can be shown to be as efficient as the form hereby prescribed.

(3) Chains and such similar gear as is specified by national laws or regulations (e.g. hooks, rings, shackles, swivels) shall, unless they have been subjected to such other sufficient treatment as may be prescribed by national laws or regulations, be annealed under the supervision of a competent person as follows:

(a) In the case of chains and the said gear carried on board ship:

(i) half inch (12½ mm.) and smaller chains or gear in general use once at least in every six months;

(ii) all other chains or gear (including span chains but excluding bridle chains attached to derricks or masts) in general use once at least in every twelve months:

Provided that in the case of such gear used solely on cranes and other hoisting appliances worked by hand, twelve months shall be substituted for six months in sub-paragraph (i) and two years for twelve months in sub-paragraph (ii);

Provided also that, if the competent authority is of opinion that owing to the size, design, material or infrequency of use of any of the said gear other than chains the requirements of this paragraph as to annealing are not necessary for the protection of the workers, it may, by certificate in writing (which it may at its discretion revoke) exempt such gear from the said requirements subject to such conditions as may be specified in the said certificate.

(b) In the case of chains and the said gear not carried on board ship:

Measures shall be prescribed to secure the annealing of the said chains and gear.

(c) In the case of the said chains and gear whether carried on board ship or not, which have been lengthened, altered or repaired by welding, they shall thereupon be tested and re-examined.

(4) Such duly authenticated records as will provide sufficient prima facie evidence of the safe condition of the machines and gear concerned shall be kept, on shore or on the ship as the case may be, specifying the safe working load and the dates and results of the tests and examinations referred to in paragraphs (1) and (2) of this Article and of the annealings or other treatment referred to in paragraph (3).

Such records shall, on the application of any person authorized for the purpose, be produced by the person in charge thereof.

(5) The safe working load shall be kept plainly marked on all cranes, derricks and chain slings and on any similar hoisting gear used on board ship as specified by national laws or regulations. The safe working load marked on chain slings shall either be in plain figures or letters upon the chains or upon a tablet or ring of durable material attached securely thereto.

(6) All motors, cogwheels, chain and friction gearing, shafting, live electric conductors and steam pipes shall (unless it can be shown that by their position and construction they are equally safe to every worker employed as they would be if securely fenced) be securely fenced so far as is practicable without impeding the safe working of the ship.

(7) Cranes and winches shall be provided with effective appliances to prevent the accidental descent of a load while in process of being lifted or lowered.

(8) Appropriate measures shall be taken to prevent exhaust steam from and, so far as practicable, live steam to any crane or winch obscuring any part of the working place at which a worker is employed.

Article 10.—Only sufficiently competent and reliable persons shall be employed to operate lifting or transporting machinery whether driven by mechanical power or otherwise, or to give signals to a driver of such machinery, or to attend to cargo falls on winch ends or winch drums.

Article 11.—(1) No load shall be left suspended from any hoisting machine unless there is a competent person actually in charge of the machine while the load is so left.

(2) Appropriate measures shall be prescribed to provide for the employment of a signaller where this is necessary for the safety of the workers.

(3) Appropriate measures shall be prescribed with the object of preventing dangerous methods of working in the stacking, unstacking, stowing and unstowing of cargo, or handling in connection therewith.

(4) Before work is begun at a hatch the beams thereof shall be removed, unless the hatch is of sufficient size to preclude danger to the workers from a load striking against the beams; provided that when the beams are not removed they shall be securely fastened to prevent their displacement.

(5) Precautions shall be taken to facilitate the escape of the workers when employed in a hold or on 'tween decks in dealing with coal or other bulk cargo.

(6) No stage shall be used in the processes unless it is substantially and firmly constructed, adequately supported and where necessary securely fastened.

No truck shall be used for carrying cargo between ship and shore on a stage so steep as to be unsafe.

Stages shall where necessary be treated with suitable material to prevent the workers slipping.

(7) When the working space in hold is confined to the square of the hatch, hooks shall not be made fast in the bands or fastenings of bales of cotton, wool, cork, gunny bags or other similar goods (nor cant-hooks on barrels), except for the purpose of breaking out or making up slings.

(8) No gears of any description shall be loaded beyond the safe working load, except on special occasions expressly authorized by the owner or his responsible agent of which record shall be kept.

(9) In the case of shore cranes with varying capacity (e.g. raising and lowering jib with load capacity varying according to the angle) an automatic indicator or a table showing the safe working loads at the corresponding inclinations of the jib shall be provided on the crane.

Article 12.—National laws or regulations shall prescribe such precautions as may be deemed necessary to ensure the proper protection of the workers, having regard to the circumstances of each case, when they have to deal with or work in proximity to goods which are in themselves dangerous to life or health by reason either of their inherent nature or of their condition at the time, or work where such goods have been stowed.

Article 13.—At docks, wharves, quays and similar places which are in frequent use for the processes, such facilities as having regard to local circumstances shall be prescribed by national laws or regulations shall be available for rapidly securing the rendering of first-aid and in serious cases of accident removal to the nearest place of treatment. Sufficient supplies of first-aid equipment shall be kept permanently on the premises in such a condition and in such positions as to be fit and readily accessible for immediate use during working hours. The said supplies shall be in charge of a responsible person or persons, who shall include one or more persons competent to render first aid, and whose services shall also be readily available during working hours.

At such docks, wharves, quays and similar places as aforesaid appropriate provision shall also be made for the rescue of immersed workers from drowning.

Article 14.—Any fencing, gangway, gear, ladder, life-saving means or appliance, light, mark, stage or other thing whatsoever required to be provided under this convention shall not be removed or interfered with by any person except when duly authorized or in case of necessity, and if removed shall be restored at the end of the period for which its removal was necessary.

Article 15.—It shall be open to each Member to grant exemptions from or exceptions to the provisions of this convention in respect of any dock, wharf, quay or similar place at which the processes are only occasionally carried on or the traffic is small and confined to small ships, or in respect of certain special ships or special classes of ships or ships below a certain small tonnage, or in cases where as a result of climatic conditions it would be impracticable to require the provisions of this convention to be carried out.

The International Labour Office shall be kept informed of the provisions in virtue of which any exemptions and exceptions as aforesaid are allowed.

Article 16.—Except as herein otherwise provided, the provisions of this convention which affect the construction or permanent equipment of the ship shall apply to ships the building of which is commenced after the date of ratification of the convention, and to all other ships within four years after that date, provided that in the meantime the said provisions shall be applied so far as reasonable and practicable to such other ships.

Article 17.—In order to ensure the due enforcement of any regulations prescribed for the protection of the workers against accidents,

(1) The regulations shall clearly define the persons or bodies who are to be responsible for compliance with the respective regulations;

(2) Provision shall be made for an efficient system of inspection and for penalties for breaches of the regulations;

(3) Copies or summaries of the regulations shall be posted up in prominent positions at docks, wharves, quays and similar places which are in frequent use for the processes.

Article 18.—The formal ratifications of this convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary-General of the League of Nations for registration.

Article 19.—This convention shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

It shall come into force twelve months after the date on which the ratifications of two Members of the International Labour Organization have been registered with the Secretary-General.

Thereafter, this convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 20.—As soon as the ratifications of two Members of the International Labour Organization have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organization.

Article 21.—A Member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Each Member which has ratified this convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of five years and, thereafter, may denounce this convention at the expiration of each period of five years under the terms provided for in this Article.

Article 22.—At the expiration of each period of ten years after the coming into force of this convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 23.—Should the Conference adopt a new convention revising this convention in whole or in part, the ratification by a Member of the new revising convention shall ipso jure involve denunciation of this convention without any requirement of delay, notwithstanding the provisions of Article 21 above, if and when the new revising convention shall have come into force.

As from the date of the coming into force of the new revising convention, the present convention shall cease to be open to ratification by the Members.

Nevertheless, this convention shall remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising convention.

Article 24.—The French and English texts of this convention shall both be authentic.

And that this House do approve of the same.

The motion was agreed to.

APPLICATION OF WEEKLY REST IN INDUSTRIAL UNDERTAKINGS

Right Hon. Mr. MEIGHEN moved:

That it is expedient that Parliament do approve of the convention concerning the Application of the Weekly Rest in Industrial Undertakings adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Third Session in Geneva on the 17th day of November, 1921, reading as follows:

Convention Concerning the Application of the Weekly Rest in Industrial Undertakings

The General Conference of the International Labour Organization of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Third Session on 25 October, 1921, and

Having decided upon the adoption of certain proposals with regard to the weekly rest day in industrial employment, which is included in the seventh item of the agenda of the session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts the following draft convention for ratification by the Members of the International Labour Organization, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace:

Article 1.—For the purpose of this Convention, the term "industrial undertakings" includes:

(a) Mines, quarries, and other works for the extraction of minerals from the earth.

(b) Industries in which articles are manufactured, altered, cleaned, repaired, ornamented, finished, adapted for sale, broken up or demolished, or in which materials are transformed; including shipbuilding and the generation, transformation and transmission of electricity or motive power of any kind.

(c) Construction, reconstruction, maintenance, repair, alteration or demolition of any building, railway, tramway, harbour, dock, pier, canal, inland waterway, road, tunnel, bridge, viaduct, sewer, drain, well, telegraphic or telephonic installation, electrical undertaking, gas work, waterwork, or other work of construction, as well as the preparation for or laying the foundations of any such work or structure.

(d) Transport of passengers or goods by road, or inland waterway, including the handling of goods at docks, quays, wharves or warehouses, but excluding transport by hand.

This definition shall be subject to the special national exceptions contained in the Washington Convention limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week, so far as such exceptions are applicable to the present convention.

Where necessary, in addition to the above enumeration, each Member may define the line of division which separates industry from commerce and agriculture.

Article 2.—The whole of the staff employed in any industrial undertaking, public or private, or in any branch thereof shall, except as otherwise provided for by the following articles, enjoy in every period of seven days a period of rest comprising at least twenty-four consecutive hours.

This period of rest shall, wherever possible, be granted simultaneously to the whole of the staff of each undertaking.

It shall, wherever possible, be fixed so as to coincide with the days already established by the traditions or customs of the country or district.

Article 3.—Each member may except from the application of the provisions of Article 2 persons employed in industrial undertakings in

which only the members of one single family are employed.

Article 4.—Each Member may authorize total or partial exceptions (including suspensions or diminutions) from the provisions of Article 2, special regard being had to all proper humanitarian and economic considerations and after consultation with responsible associations of employers and workers, wherever such exist.

Such consultation shall not be necessary in the case of exceptions which have already been made under existing legislation.

Article 5.—Each Member shall make, as far as possible, provision for compensatory periods of rest for the suspensions or diminutions made in virtue of Article 4, except in cases where agreements or customs already provide for such periods.

Article 6.—Each Member will draw up a list of the exceptions made under Articles 3 and 4 of this convention and will communicate it to the International Labour Office, and thereafter in every second year any modifications of this list which shall have been made.

The International Labour Office will present a report on this subject to the General Conference of the Internationl Labour Organization.

Article 7.—In order to facilitate the application of the provisions of this convention, each employer, director, or manager, shall be obliged:

(a) Where the weekly rest is given to the whole of the staff collectively, to make known such days and hours of collective rest by means of notices posted conspicuously in the establishment or any other convenient place, or in any other manner approved by the Government.

(b) Where the rest period is not granted to the whole of the staff collectively, to make known, by means of a roster drawn up in accordance with the method approved by the legislation of the country, or by a regulation of the competent authority, the workers or employees subject to a special system of rest, and to indicate that system.

Article 8.—The formal ratifications of this Convention under the conditions set forth in Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace, shall be communicated to the Secretary-General of the League of Nations for registration.

Article 9.—This Convention shall come into force at the date on which the ratifications of two Members of the International Labour Organization have been registered by the Secretary-General.

It shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

Thereafter, the convention shall come into force for any Member at the date on which its ratification has been registered with the Secretariat.

Article 10.—As soon as the ratifications of two Members of the International Labour Organization have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organization.

Article 11.—Each Member which ratifies this convention agrees to bring the provisions of Articles 1, 2, 3, 4, 5, 6 and 7 into operation not later than 1 January, 1924, and to take such action as may be necessary to make these provisions effective.

Article 12.—Each Member of the International Labour Organization which ratifies this convention engages to apply it to its colonies, possessions and protectorates, in accordance with the provisions of Article 421 of the Treaty of Versailles and of the corresponding articles of the other Treaties of Peace.

Article 13.—A Member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Article 14.—At least once in ten years, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the Conference the question of its revision or modification.

Article 15.—The French and English texts of this convention shall both be authentic.

And that this House do approve of the same.

Hon. R. DANDURAND: I think the right honourable leader stated that we had already legislated on this matter under the criminal law.

Right Hon. Mr. MEIGHEN: The Lord's Day Act.

Hon. Mr. DANDURAND: When that Act came before the Senate I had something to do with resisting some of its provisions, but we managed to add numerous amendments which resulted in making the legislation satisfactory throughout the length and breadth of the country. When this convention reached Ottawa, Geneva was officially informed by an Order in Council dated the 27th of June, 1922, that we had already legislated to the same end.

Hon. RODOLPHE LEMIEUX: Honourable members, perhaps it would be well to mention that even though the Lord's Day Act was passed by the Federal Parliament, it contained a provision which placed the kernel of the whole matter in the hands of the attorneys-general of the provinces. No action could be taken in court without the fiat of the attorney-general of the province in which the alleged infraction occurred. This shows that to a large extent the principle underlying the British North America Act is respect for the views held by the various provinces. I remember that when the Lord's Day Bill was introduced in the House of Commons and in this House representatives of certain provinces strongly upheld strict Sunday observance, whilst the people of the province of Quebec

were desirous of doing on Sunday what their forefathers had done before them—that is, after service at the church, to enjoy quietly some little pleasure. It was because of the different practices in the different provinces that Parliament provided no action could be taken under the law unless the approval of the attorney-general of the province in question had first been obtained.

I must say that that law had the effect of broadening the view in provinces where Sunday observance had always been sternly adhered to. Until two or three years ago I was a resident of Ottawa, and on Sundays I used to see numbers of my friends crossing the Ottawa river to enjoy a little game of golf, which was denied them on this side of the river. That law has made Sunday more elastic.

Hon. Mr. MURPHY: Nous avons changé tout cela.

Hon. Mr. LEMIEUX: I rose merely to point out to the right honourable leader that this special provision in the Lord's Day Act shows that the intentions of the framers of our Constitution were that attention should be paid to the peculiar views—and may I say prejudices? —of the various provinces.

Right Hon. Mr. GRAHAM: That is evolution.

Right Hon. ARTHUR MEIGHEN: Honourable members, I have no doubt at all that the spirit and matter of the Lord's Day Act are very much as defined by the honourable senator who has just sat down. I want to use the occasion only to say a few words as to the significance of the passing of that Act in relation to the problem which is now before us, and especially in relation to the next resolution. The honourable senator who leads the other side (Hon. Mr. Dandurand) has stated that although this draft convention was before the Government of Canada shortly after it was issued from the general conference of the International Labour Organization of the League of Nations, it was not submitted for approval by Parliament, and subsequent ratification, because of the fact that we already had on our Statute Book a law going as far as this draft convention called upon us to go. I hope honourable members have caught the effect of that statement by the honourable senator. The reason we were not asked to approve this draft convention respecting a weekly day of rest was that we already had in effect the Lord's Day Act, which went so far in providing a weekly day of rest, and in other requirements, as the draft convention itself went. This Lord's Day Act has been on our Statute Book for many years, and I call attention to the fact that in its essence and constitutional features it takes the form and has all the lineaments of the forty-eight-hour week draft convention.

In a word, for years the Dominion has been legislating under its trade and commerce jurisdiction, or under such other jurisdiction as honourable members may seek as a basis for this legislation. It is not criminal legislation. It may be quasi criminal legislation, but no one can read the terms of this convention, which, as the honourable member says, are already complied with in our Lord's Day Act, and say that it is criminal legislation and that our right to pass it depends upon clauses in the British North America Act which give us jurisdiction in criminal law. I should say without further study—for my thought has been given chiefly to the next resolution—that the base of our Lord's Day Act jurisdiction is the trade and commerce provision in section 91 of the British North America Act. When we are dealing with trade and commerce in a broad and general way—not with merely local and individual rights in trade and commerce, but with the subject in its relation to the whole Dominion—our jurisdiction is unchallenged. And that is the jurisdiction we are exercising here now.

Hon. Mr. DANDURAND: Under clause 91.

Right Hon. Mr. MEIGHEN: Under section 91, the trade and commerce section. And if there were no other rock upon which at this time we could put our feet in dealing with the subsequent resolution, we have a sufficiently sound one right there, namely, that upon which we rested when the Lord's Day Act was passed. So far as I can recall, the Act was once challenged, but not with respect to its general features. Consequently those who say that for many years we have validly legislated in respect of a weekly day of rest are not in a very strong position when they urge now that we cannot legislate in respect of the hours of work per day. Only to emphasize this do I rise at the moment.

Hon. Mr. DANDURAND: Do I understand from the remarks of my right honourable friend that with respect to the convention which is before us, he claims that this Parliament could legislate to fix an eight-hour day or a forty-eight-hour week?

Right Hon. Mr. MEIGHEN: I purpose so to argue. I only say now that the fact of our having legislated with respect to a weekly day of rest is very strong fortification for the position that, irrespective entirely of treaty obligations and of our rights founded thereon,

we can legislate with respect to the number of hours per day, provided our legislation is of a broad, general, Canadian-wide character, for it is undoubtedly trade and commerce legislation.

Right. Hon. Mr. GRAHAM: It does not work very well in the Insurance Bill.

Right Hon. Mr. MEIGHEN: There another principle is involved.

Hon. Mr. BELAND: Honourable members, I confess I have a very superficial knowledge of the fourth resolution. Do I understand correctly that it is competent under Article 2 for the management of any industrial corporation to determine what day of the week shall be observed as a weekly day of rest? If not, who is to determine it?

Right Hon. Mr. MEIGHEN: I should think the management of the firm would decide what day of rest should be given.

Hon. Mr. MURPHY: The third sentence of Article 2 clarifies the point.

Right Hon. Mr. MEIGHEN: "It shall, wherever possible, be fixed so as to coincide with the days already established by the traditions or customs of the country or district."

Hon. Mr. BELAND: It is not compulsory.

Right Hon. Mr. MEIGHEN: It is compulsory wherever it is possible.

The motion was agreed to.

LIMITATION OF HOURS OF WORK

Right Hon. Mr. MEIGHEN moved:

That it is expedient that Parliament do approve of the Convention Limiting the Hours of Work in Industrial Undertakings to Eight in the Day and Forty-eight in the Week adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its First Session in Washington on the 28th day of November, 1919, reading as follows:—

Convention Limiting the Hours of Work in Industrial Undertakings to Eight in the Day and Forty-Eight in the Week

The General Conference of the International Labour Organization of the League of Nations,

Having been convened at Washington by the Government of the United States of America, on the 29th day of October, 1919, and

Having decided upon the adoption of certain proposals with regard to the "application of the principle of the 8-hour day or of the 48-hour week" which is the first item in the agenda for the Washington meeting of the conference, and

Having determined that these proposals shall take the form of a draft international convention,

adopts the following draft convention for ratification by the Members of the International Labour Organization, in accordance with the Labour Part of the Treaty of Versailles of 28 June, 1919, and of the Treaty of St. Germain of 10 September, 1919:

Article 1.—For the purpose of this convention, the term "industrial undertaking" includes particularly:

(a) Mines, quarries, and other works for the extraction of minerals from the earth.

(b) Industries in which articles are manufactured, altered, cleaned, repaired, ornamented, finished, adapted for sales, broken up or demolished, or in which materials are transformed; including shipbuilding and the generation, transformation, and transmission of electricity or motive power of any kind.

(c) Construction, reconstruction, maintenance, repair, alteration, or demolition of any building, railway, tramway, harbour, dock, pier, canal, inland waterway, road, tunnel, bridge, viaduct, sewer, drain, well, telegraphic or telephonic installation, electrical undertaking, gas work, waterwork or other work of construction, as well as the preparation for or laying the foundations of any such work or structure.

(d) Transport of passengers or goods by road, rail, sea or inland waterway, including the handling of goods at docks, quays, wharves or warehouses, but excluding transport by hand.

The provisions relative to transport by sea and on inland waterways shall be determined by a special conference dealing with employment at sea and on inland waterways.

The competent authority in each country shall define the line of division which separates industry from commerce and agriculture.

Article 2.—The working hours of persons employed in any public or private undertaking or in any branch thereof, other than an undertaking in which only members of the same family are employed, shall not exceed eight in the day and forty-eight in the week, with the exceptions hereinafter provided for.

(a) The provisions of this convention shall not apply to persons holding positions of supervision or management, nor to persons employed in a confidential capacity.

(b) Where by law, custom, or agreement between employers' and workers' organizations, or, where no such organizations exist, between employers' and workers' representatives, the hours of work on one or more days of the week are less than eight, the limit of eight hours may be exceeded on the remaining days of the week by the sanction of the competent public authority, or by agreement between such organizations or representatives; provided, however, that in no case under the provisions of this paragraph shall the daily limit of eight hours be exceeded by more than one hour.

(c) Where persons are employed in shifts it shall be permissible to employ persons in excess of eight hours in any one day and forty-eight hours in any one week, if the average number of hours over a period of three weeks or less does not exceed eight per day and forty-eight per week.

Article 3.—The limit of hours of work prescribed in Article 2 may be exceeded in case of accident, actual or threatened, or in case of urgent work to be done to machinery or plant, or in case of "force majeure," but only so far

as may be necessary to avoid serious interference with the ordinary working of the undertaking.

Article 4.—The limit of hours of work prescribed in Article 2 may also be exceeded in those processes which are required by reason of the nature of the process to be carried on continuously by a succession of shifts, subject to the condition that the working hours shall not exceed fifty-six in the week on the average. Such regulation of the hours of work shall in no case affect any rest days which may be secured by the national law to the workers in such processes in compensation for the weekly rest day.

Article 5.—In exceptional cases where it is recognized that the provisions of Article 2 cannot be applied, but only in such cases, agreements between workers' and employers' organizations concerning the daily limit of work over a longer period of time may be given the force of regulations, if the Government, to which these agreements shall be submitted, so decides.

The average number of hours worked per week, over the number of weeks covered by any such agreement shall not exceed forty-eight.

Article 6.—Regulations made by public authority shall determine for industrial undertakings:

(a) The permanent exceptions that may be allowed in preparatory or complementary work which must necessarily be carried on outside the limits laid down for the general working of an establishment, or for certain classes of workers whose work is essentially intermittent.

(b) The temporary exceptions that may be allowed, so that establishments may deal with exceptional cases of pressure of work.

These regulations shall be made only after consultation with the organizations of employers and workers concerned, if any such organizations exist. These regulations shall fix the maximum of additional hours in each instance, and the rate of pay for overtime shall not be less than one and one-quarter times the regular rate.

Article 7.—Each Government shall communicate to the International Labour Office:

(a) A list of the processes which are classed as being necessarily continuous in character under Article 4;

(b) Full information as to working of the agreements mentioned in Article 5; and

(c) Full information concerning the regulations made under Article 6 and their application.

The International Labour Office shall make an annual report thereon to the General Conference of the International Labour Organization.

Article 8.—In order to facilitate the enforcement of the provisions of this convention, every employer shall be required:

(a) To notify by means of the posting of notices in conspicuous places in the works or other suitable place, or by such other method as may be approved by the Government, the hours at which work begins and ends, and where work is carried on by shifts, the hours at which each shift begins and ends. These hours shall be so fixed that the duration of the work shall not exceed the limits prescribed by this convention, and when so notified they shall not be changed except with such notice and in such manner as may be approved by the Government.

(b) To notify in the same way such rest intervals accorded during the period of work as are not reckoned as part of the working hours.

(c) To keep a record in the form prescribed by law or regulation in each country of all additional hours worked in pursuance of Articles 3 and 6 of this convention.

It shall be made an offence against the law to employ any person outside the hours fixed in accordance with paragraph (a), or during the intervals fixed in accordance with paragraph (b).

Article 9.—In the application of this convention to Japan the following modifications and conditions shall obtain:

(a) The term "industrial undertaking" includes particularly—

The undertakings enumerated in paragraph (a) of Article 1;

The undertakings enumerated in paragraph (b) of Article 1, provided there are at least ten workers employed;

The undertakings enumerated in paragraph (c) of Article 1, in so far as these undertakings shall be defined as "factories" by the competent authority;

The undertakings enumerated in paragraph (d) of Article 1, except transport of passengers or goods by road, handling of goods at docks, quays, wharves, and warehouses, and transport by hand; and,

Regardless of the number of persons employed, such of the undertakings enumerated in paragraphs (b) and (c) of Article 1 as may be declared by the competent authority either to be highly dangerous or to involve unhealthy processes.

(b) The actual working hours of persons of fifteen years of age or over in any public or private industrial undertaking, or in any branch thereof, shall not exceed fifty-seven in the week, except that in the raw-silk industry the limit may be sixty hours in the week.

(c) The actual working hours of persons under fifteen years of age in any public or private industrial undertaking, or in any branch thereof, and of all miners of whatever age engaged in underground work in the mines, shall in no case exceed forty-eight in the week.

(d) The limit of hours of work may be modified under the conditions provided for in Articles 2, 3, 4, and 5 of this convention, but in no case shall the length of such modification bear to the length of the basic week a proportion greater than that which obtains in those Articles.

(e) A weekly rest period of twenty-four consecutive hours shall be allowed to all classes of workers.

(f) The provision in Japanese factory legislation limiting its application to places employing fifteen or more persons shall be amended so that such legislation shall apply to places employing ten or more persons.

(g) The provisions of the above paragraphs of this Article shall be brought into operation not later than 1st July, 1922, except that the provisions of Article 4 as modified by paragraph (d) of this Article shall be brought into operation not later than 1st July, 1923.

(h) The age of fifteen prescribed in paragraph (c) of this Article shall be raised not later than 1st July, 1925, to sixteen.

Article 10.—In British India the principle of a sixty-hour week shall be adopted for all workers in the industries at present covered by the factory acts administered by the Government of India, in mines, and in such branches of railway work as shall be specified for this purpose by the competent authority. Any modification of this limitation made by the competent authority shall be subject to the provisions of Articles 6 and 7 of this convention. In other respects the provisions of this convention shall not apply to India, but further provisions limiting the hours of work in India shall be considered at a future meeting of the General Conference.

Article 11.—The provisions of this convention shall not apply to China, Persia, and Siam, but provisions limiting the hours of work in these countries shall be considered at a future meeting of the General Conference.

Article 12.—In the application of this convention to Greece, the date at which its provisions shall be brought into operation in accordance with Article 19 may be extended to not later than 1st July, 1923, in the case of the following industrial undertakings:

(1) Carbon-bisulphite works,
(2) Acid works,
(3) Tanneries,
(4) Paper mills,
(5) Printing Works,
(6) Sawmills,
(7) Warehouses for the handling and preparation of tobacco,
(8) Surface mining,
(9) Foundries,
(10) Lime works,
(11) Dye works,
(12) Glassworks (blowers),
(13) Gas works (firemen),
(14) Loading and unloading merchandise;

and to not later than 1st July, 1924, in the case of the following industrial undertakings:

(1) Mechanical industries: Machine shops for engines, safes, scales, beds, tacks, shells (sporting), iron foundries, bronze foundries, tin shops, plating shops, manufactories of hydraulic apparatus;

(2) Constructional industries: Lime-kilns, cement works, plasterers' shops, tile yards, manufactories of bricks and pavements, potteries, marble yards, excavating and building work;

(3) Textile industries: Spinning and weaving mills of all kinds, except dye works;

(4) Food industries: Flour and grist-mills, bakeries, macaroni factories, manufactories of wines, alcohol, and drinks, oil works, breweries, manufactories of ice and carbonated drinks, manufactories of confectioners' products and chocolate, manufactories of sausages and preserves, slaughterhouses, and butcher shops;

(5) Chemical industries: Manufactories of synthetic colours, glassworks (except the blowers), manufactories of essence of turpentine and tartar, manufactories of oxygen and pharmaceutical products, manufactories of flaxseed oil, manufactories of glycerine, manufactories of calcium carbide, gas works (except the firemen);

(6) Leather industries: Shoe factories, manufactories of leather goods;

(7) Paper and printing industries: Manufactories of envelopes, record books, boxes, bags, bookbinding, lithographing, and zinc-engraving shops;

(8) Clothing industries: Clothing shops, underwear and trimmings, workshops for pressing, workshops for bed coverings, artificial flowers, feathers, and trimmings, hat and umbrella factories;

(9) Woodworking industries: Joiners' shops, coopers' sheds, wagon factories, manufactories of furniture and chairs, picture-framing establishments, brush and broom factories;

(10) Electrical industries: Power houses, shops for electrical installations;

(11) Transportation by land: Employees on railroads and street cars, firemen, drivers, and carters.

Article 13.—In the application of this convention to Roumania the date at which its provisions shall be brought into operation in accordance with Article 19 may be extended to not later than 1 July, 1924.

Article 14.—The operation of the provisions of this convention may be suspended in any country by the Government in the event of war or other emergency endangering the national safety.

Article 15.—The formal ratifications of this convention, under the conditions set forth in Part XIII of the Treaty of Versailles of 28 June, 1919, and of the Treaty of St. Germain of 10 September, 1919, shall be communicated to the Secretary-General of the League of Nations for registration.

Article 16.—Each Member of the International Labour Organization which ratifies this convention engages to apply it to its colonies, protectorates and possessions which are not fully self-governing:—

(a) Except where owing to the local conditions its provisions are inapplicable; or

(b) Subject to such modifications as may be necessary to adapt its provisions to local conditions.

Each Member shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates, and possessions which are not fully self-governing.

Article 17.—As soon as the ratifications of two Members of the International Labour Organization have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organization.

Article 18.—This convention shall come into force at the date on which such notification is issued by the Secretary-General of the League of Nations, and it shall then be binding only upon those Members which have registered their ratifications with the Secretariat. Thereafter this convention will come into force for any other Member at the date on which its ratification is registered with the Secretariat.

Article 19.—Each Member which ratifies this convention agrees to bring its provisions into operation not later than 1 July, 1921, and to take such action as may be necessary to make these provisions effective.

Article 20.—A Member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the Secretary-General of the League of

Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Article 21.—At least once in ten years the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this convention, and shall consider the desirability of placing on the agenda of the Conference the question of its revision or modification.

Article 22.—The French and English texts of this convention shall both be authentic.

And that this House do approve of the same.

Right Hon. ARTHUR MEIGHEN: Honourable members, I do not at this time desire to address the House at length, or indeed, at all, in support of the motion. I made certain skeleton remarks in its support on Wednesday last, and I hope to speak later in the debate, when I have the right to reply. I think the remarks I made on Wednesday form a basis, and constitute pretty completely, though not in as full detail as I should like, the argument I intend to make. I suggest that any others who care to speak should do so now. There is not much use in my speaking three times on this subject.

Hon. RAOUL DANDURAND: Honourable members of the Senate, the draft convention which is now offered to us covers both the federal and the provincial fields. As will be seen from the remarks that I shall address to the Chamber, it can apply to federal works, to territories under federal control and to federal employees, and as a matter of fact legislation to that effect has been passed by this Parliament. Consequently I would not demur to the presentation to us of this draft convention if it were not for the fact that the intention has been expressed to use it as a basis for what I regard as an invasion of provincial jurisdiction.

This draft convention was the first one passed by the Washington Labour Conference, which comprised employers and employees of the nations adhering to the League of Nations and to the International Labour Organization. The question may well be asked: why is it that the federal authorities have waited sixteen years before bringing this convention to Parliament? I think the answer is obvious. The reason is that up to the 1st of January of this year it was generally—I should say unanimously—recognized that it covered a provincial matter.

The first to express an opinion on this very draft convention and to state in unmistakable terms that it belonged to provincial jurisdiction was my right honourable friend himself (Right Hon. Mr. Meighen), whose Government, in November, 1920, passed P.C 3722, which was based on a recommendation brought to Council by the then Minister of Justice, the Right Hon. Mr. Doherty, a gentleman who was in a particularly favourable position to be familiar with the whole machinery of the League of Nations and the International Labour Office, as it was he who with the authorization of his Government, had signed the Treaty of Versailles in conjunction with Mr. Arthur Sifton, then a minister in the Government. That Order in Council, which, as I have said, emanated from the Government of my right honourable friend, speaks for itself. It reads as follows:

> The Minister further states that he is of opinion that the provisions of the labour part of the Treaty of Versailles do not impose any obligation on the Dominion of Canada to enact into law the different draft conventions or recommendations which may from time to time be adopted by the conference. The obligation as set forth is simply in the nature of an undertaking on the part of each member within the period of one year at most from the closing of the session of the conference, or if it is impossible owing to exceptional circumstances to do so within a period of one year, then at the earliest practicable moment, and in any case not later than eighteen months from the closing of the conference "to bring the recommendations or draft conventions before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action." The treaty engagement being of this character, it is not such as to justify legislation on the part of Parliament under the authority of section 132 of the British North America Act, 1867, to give effect to any of the proposals of the said draft conventions and recommendations, which must be held, as between the Dominion and the provinces, to be within the legislative competence of the latter. The Government's obligation will, in the opinion of the Minister, be fully carried out if the different conventions and recommendations are brought before the competent authority, Dominion or provincial, accordingly as it may appear, having regard to the scope and objects, the true nature and character of the legislation required to give effect to the proposals of the conventions and recommendations respectively, that they fall within the legislative competence of the one or the other.

A debate, in which my right honourable friend participated, took place in the House of Commons over the advisability of submitting the question to the Supreme Court, and with the unanimous approval of the Commons the whole subject was referred to that Court. I may say that the right honourable gentleman concurred in the idea that it was a provincial matter, and so expressed himself.

Here are the questions which were put to the Supreme Court with the full concurrence of the House of Commons. The first question was:

What is the nature of the obligation of the Dominion of Canada as a member of the International Labour Conference, under the provisions of the labour part (Part XIII) of the Treaty of Versailles and of the corresponding provisions of the other treaties of peace, with relation to such draft conventions and recommendations as may be from time to time adopted by the said conference under the authority of and pursuant to the aforesaid provisions?

The answer to the first question was:

The obligation is simply in the nature of an undertaking to bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

The second question was:

Are the legislatures of the provinces the authorities within whose competence the subject-matter of the said draft convention (copy of which is herewith submitted) in whole or in part lies and before whom such draft convention should be brought, under the provisions of Article 405 of the treaty of peace with Germany, for the enactment of legislation or other action?

The answer was:

Yes, in part.

The third question was:

If the subject-matter of the said draft convention be, in part only, within the competence of the legislatures of the provinces, then in what particular or particulars, or to what extent, is the subject-matter of the draft convention within the competence of the legislatures?

To this question the answer of the Supreme Court was:

The subject-matter is generally within the competence of the legislatures of the provinces, but the authority vested in these legislatures does not enable them to give the force of law to provisions such as those contained in the draft convention in relation to servants of the Dominion Government, or to legislate for those parts of Canada which are not within the boundaries of a province.

The fourth question was:

If the subject-matter of the said draft convention be, in part only, within the competence of the legislatures of the provinces, then in what particular or particulars, or to what extent, is the subject-matter of the draft convention within the competence of the Parliament of Canada?

And to that question the answer was:

The Parliament of Canada has exclusive legislative authority in those parts of Canada not within the boundaries of any province, and also upon the subjects dealt with in the draft convention in relation to the servants of the Dominion Government.

As will be observed, the Supreme Court supports the opinion of the right honourable gentleman, as expressed in the Order in Council I have just read, and it says:

The obligation is simply in the nature of an undertaking to bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

This was the unchallenged interpretation of the subject-matter of this convention and of the duties which lay upon the federal authorities.

As I have said, my right honourable friend (Right Hon. Mr. Meighen) was the first to express this opinion. The last person to express the same opinion—and he did so in terms that were lucid—was the present Prime Minister of Canada, who, on the 31st of August, 1934, wrote a letter to the premiers of the provinces in the following terms:

As I indicated at the meeting with the provincial premiers in July last, it is my purpose to call a conference of representatives of the governments of all the provinces to meet at Ottawa before the end of the year to discuss with the Federal Government the following questions and such other matters as may be placed upon the agenda after I have been advised of the views of the premiers of the several provinces:

1. What steps can be taken to reduce the evils of duplicate taxation and provide a more logical allocation of sources of revenue now available to Dominion and provinces?

2. Are the provinces prepared to surrender their exclusive jurisdiction over legislation dealing with such social problems as old age pensions, unemployment and social insurance, hours and conditions for work, minimum wages, etc., to the Dominion Parliament? If so, on what terms and conditions?

3. Is it desirable to endeavour more clearly to define the respective jurisdiction of the Dominion Parliament and provincial legislatures with respect to health and agricultural and other matters in which there is a duplication of effort by federal and provincial authorities?

Although I am not an English scholar, I think these expressions can call for no two interpretations. They are a complete admission by the Prime Minister of this country. He asks the provinces if they will surrender their exclusive jurisdiction upon certain matters, one of which covers the present convention, and if so, on what terms and conditions. I believe the Prime Minister is too good a negotiator to have made such a statement as that if he had any doubt as to the jurisdiction of the provinces in the matters which he enumerated, because by recognizing their exclusive jurisdiction in these matters he would clearly be giving his whole case away.

But in the month of December the right honourable the Prime Minister changed his attitude and recalled the conference, which had been postponed. He apparently had seen new light. When he got on the road to Damascus, I do not know. The oracle had spoken—late, it is true. The Prime Minister, who in August fully recognized the rights of the provinces in certain matters, just as the right honourable leader of this House had recognized them, changed his mind. And the right honourable leader of this House has done likewise, for we heard him say a few moments ago that the Parliament of Canada could legislate on the matters which are dealt with in the present convention. It goes to show that we should never claim infallibility for ourselves—that we are all apt to err.

The question now is, which opinion of my right honourable friend is the right one? Is it his opinion of 1920, when he sent these draft conventions in the form of recommendations to the provinces, or his opinion of today, when he claims the Federal Parliament has full jurisdiction in the matter? Late it is that the country is informed that our national Constitution, as formerly interpreted, has been considerably altered or transformed by two judgments of the Privy Council—one of the 22nd of October, 1931, with respect to aeronautics, and the other, of the 9th of February, 1932, with respect to wireless and radio broadcasting. Honourable members will notice it took three years for the light which emanated from the Privy Council to reach the present Government, for as recently as last year the Prime Minister believed that the Constitution had not been altered in the least; that section 92 of the British North America Act, which gives certain powers to the provinces, was still intact.

The Privy Council's decision in the aeronautics case was based upon an interpretation of sections 91, 92 and 132 of the British North America Act. I have read the decision, but I can find no new doctrine whatever in it. Sections 91 and 92 are so well known by all honourable members that I will not take the time to read them here, but section 132 has not been brought to our attention so often. It reads:

> The Parliament and Government of Canada shall have all powers necessary or proper for performing the obligations of Canada or any province thereof, as part of the British Empire, towards foreign countries, arising under treaties between the Empire and such foreign countries.

I will now read from the judgment of Lord Chancellor Sankey:

The Supreme Court of Canada has decided the question in its several branches adversely to the claims of the Dominion, and has held in effect that while the Dominion has a considerable field of jurisdiction in the matter under various heads of section 91 of the British North America Act, 1867, there is also a local field of jurisdiction for the provinces, and that the Dominion jurisdiction does not extend so far as to permit it to deal with the subject in the broad way in which it has attempted to deal with it in the legislation under consideration.

During the sittings of the Peace Conference in Paris, at the close of the European war, a convention relating to the regulation of aerial navigation, dated the 13th October, 1919, was drawn up by a commission constituted by the Supreme Council of the Peace Conference. That convention was signed by the representatives of the allied and associated powers, including Canada, and was ratified by His Majesty on behalf of the British Empire on the 1st June, 1922. It is now in force between the British Empire and seventeen other states.

With a view to performing her obligations as part of the British Empire under this convention, which was then in course of preparation, the Parliament of Canada enacted the Air Board Act, c. 11, Statutes of Canada 1919 (first session), which, with an amendment thereto, was consolidated in the Revised Statutes of Canada, 1927, under the title of the Aëronautics Act, c. 3. It is to be noted, however, that the Act does not by reason of its reproduction in the Revised Statutes take effect as a new law. The Governor General in Council, on the 31st December, 1919, pursuant to the Air Board Act, issued detailed "Air Regulations" which, with certain amendments, are now in force. By the National Defence Act, 1922, the Minister of National Defence thereafter exercised the duties and functions of the air board.

The determination of these questions depends upon the true construction of sections 91, 92 and 132 of the British North America Act. Section 132 provides as follows.

That is the section I read a few moments ago.

It is not necessary to set out at length the familiar sections 91 and 92, which deal with the distribution of legislative powers. Section 91 tabulates the subjects to be dealt with by the Dominion, and section 92 the subjects to be dealt with exclusively by the provincial legislatures, but it will not be forgotten that section 91, in addition, authorizes the King by and with the advice and consent of the Senate and House of Commons of Canada to make laws for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces, and further provides that any matter coming within any of the classes of subjects enumerated in the section shall not be deemed to come within the classes of matters of a local and private nature comprised in the enumeration of classes of subjects assigned by section 92 exclusively to the legislatures of the provinces. The four questions addressed to the court are as follows.

They dealt with the right of the Dominion Parliament to enact that legislation.

With regard to sections 91 and 92 the cases which have been decided on the provisions of these sections are legion. Many inquests have been held upon them, and many great lawyers have from time to time dissected them.

Under our system, decided cases effectively construe the words of an Act of Parliament and established principles and rules whereby its scope and effect may be interpreted. But there is always a danger that in the course of this process the terms of the statute may come to be unduly extended and attention may be diverted from what has been enacted to what has been judically said about the enactment.

To borrow an analogy; there may be a range of sixty colours, each of which is so little different from its neighbour that it is difficult to make any distinction between the two, and yet at the one end of the range the colour may be white, and at the other end of the range black. Great care must therefore be taken to consider each decision in the light of the circumstances of the case in view of which it was pronounced, especially in the interpretation of an Act such as the British North America Act, which was a great constitutional charter, and not to allow general phrases to obscure the underlying object of the Act, which was to establish a system of government upon essentially federal principles. Useful as decided cases are, it is always advisable to get back to the words of the Act itself and to remember the object with which it was passed. . . .

Inasmuch as the Act embodies a compromise under which the original provinces agreed to federate, it is important to keep in mind that the preservation of the rights of minorities was a condition on which such minorities entered into the federation, and the foundation upon which the whole structure was subsequently erected. The process of interpretation as the years go on ought not to be allowed to dim or to whittle down the provisions of the original contract upon which the federation was founded, nor is it legitimate that any judicial construction of the provisions of sections 91 and 92 should enforce a new and a different contract upon the federating bodies.

But while the courts should be jealous in upholding the charter of the provinces as enacted in section 92, it must no less be borne in mind that the real object of the Act was to give the central Government those high functions and almost sovereign powers by which uniformity of legislation might be secured on all questions which were of common concern to all the provinces as members of a constituent whole.

It is therefore obvious that the Dominion Parliament, in order duly and fully to "perform the obligations of Canada or of any province thereof" under the convention, must make provision for a great variety of subjects. Indeed, the terms of the convention include almost every conceivable matter relating to aerial navigation, and we think that the Dominion Parliament not only has the right, but also the obligation, to provide by statute and by regulation that the terms of the convention shall be duly carried out. With regard to some of them no doubt it would appear to be clear that the Dominion has power to legislate, for example, under section 91, subsection 2, for the regulation of trade and commerce, and under subsection 5, for the postal services, but it is not necessary for the Dominion to piece together its powers under section 91 in an endeavour to render them co-extensive with its duty under the convention when section 132 confers upon it full power to do all that is legislatively necessary for the purpose.

It must not be forgotten that section 132 imposes upon the provinces, as well as upon the whole of Canada, as part of the British Empire, obligations arising under treaties between the Empire and foreign countries; so that whatever may be the conditions prevailing and whatever the division of jurisdiction between the provinces and the Dominion, when a treaty has to be enforced, section 132 supersedes the authority of the Dominion as well as of the provinces.

Then the Lord Chancellor summed up the judgment in these words:

To sum up, having regard (a) to the terms of section 132; (b) to the terms of the convention, which covers almost every conceivable matter relating to aerial navigation; and (c) to the fact that further legislative powers in relation to aerial navigation reside in the Parliament of Canada by virtue of section 91, subsections 2, 5, and 7, it would appear that substantially the whole field of legislation in regard to aerial navigation belongs to the Dominion. There may be a small portion of the field which is not by virtue of specific words in the British North America Act vested in the Dominion; but neither is it vested by specific words in the provinces. As to such small portion it appears to the board that it must necessarily belong to the Dominion under its power to make laws for the peace, order and good government of Canada. Further, their lordships are influenced by the facts that the subject of aerial navigation and the fulfilment of Canadian obligations under section 132 are matters of national interest and importance; and that aerial navigation is a class of subject which has attained such dimensions as to affect the body politic of the Dominion.

I need only read the opening lines of section 91, to which reference is made by His Lordship, and which deals with the powers of this Parliament:

It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces.

The Lord Chancellor begins his judgment by stating that some matters do not expressly fall within section 91, neither are they to be found in section 92. Then he directs attention to the additional authority contained in section 91, that Parliament may "make laws for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this Act

assigned exclusively to the legislatures of the provinces." I think anyone who reads the judgment will come to the conclusion which I have reached, that the judgment is based purely and simply upon a fair interpretation of the division of powers between the provinces and the Dominion, and also upon section 132, which binds the federal authority to perform treaty obligations of Canada towards foreign countries when the treaty emanates from the British Empire. I think I shall be able to establish that we are under no such obligation with respect to this convention.

Now as to the radio case. Again we are dealing with a convention binding Canada. It is not a convention under section 132, because it does not emanate from Great Britain; it is a convention made by Canada herself. The convention concerns wireless and radio broadcasting. These subjects are not expressly mentioned in sections 91 and 92, yet in their main aspects they are linked with the subjects covered by section 91. The province claimed the residue under property and civil rights, although acknowledging that in most instances some or most of the classes of subjects were germane to those enumerated in section 91.

The judgment of the Privy Council was delivered by Lord Dunedin. After referring to the aeronautics case he proceeds:

> And it is said with truth that, while as regards aviation there was a treaty, the convention here is not a treaty between the Empire as such and foreign countries, for Great Britain does not sign as representing the colonies and Dominions. She only confirms the assent which had been signified by the colonies and Dominions who were separately represented at the meetings which drafted the convention.
>
> But while this is so, the aviation case in their lordships' judgment cannot be put on one side. Counsel for the province felt this and sought to avoid any general deduction by admitting that many of the things provided by the convention and the regulations thereof fell within various special heads of section 91. For example, provisions as to beacon signals he would refer to article 10 of section 91—navigation and shipping. It is unnecessary to multiply instances, because the real point to be considered is this manner of dealing with the subject. In other words, the argument of the province comes to this: Go through all the stipulations of the convention and each one you can pick out which fairly falls within one of the enumerated heads of section 91, that can be held to be appropriate for Dominion legislation; but the residue belongs to the province under the head either of article 13 of section 92—property and civil rights, or article 16—matters of a merely local or private nature in the province. Their lordships cannot agree that the matter should be so dealt with. Canada as a Dominion is one of the signatories to the convention. In a question with foreign powers the persons who might infringe some of the stipulations in the convention would not be the Dominion of Canada as a whole, but would be individual persons residing in Canada. These persons must, so to speak, be kept in order by legislation and the only legislation that can deal with them all at once is Dominion legislation. This idea of Canada as a Dominion being bound by a convention equivalent to a treaty with foreign powers was quite unthought of in 1867. It is the outcome of the gradual development of the position of Canada vis-à-vis to the mother country Great Britain, which is found in these later days expressed in the Statute of Westminster. It is not therefore to be expected that such a matter should be dealt with in explicit words in either section 91 or section 92. The only class of treaty which would bind Canada was thought of as a treaty by Great Britain, and that was provided for by section 132. Being, therefore, not mentioned explicitly in either section 91 or section 92, such legislation falls within the general words at the opening of section 91 which assigned to the Government of the Dominion the power to make laws "for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces." In fine, though agreeing that the convention was not such a treaty as is defined in section 132, their lordships think that it comes to the same thing. On the 11th August, 1927, the Privy Council of Canada, with the approval of the Governor General, chose a body to attend the meeting of all the powers to settle international agreements as to wireless. The Canadian body attended and took part in deliberations. The deliberations ended in the convention with general regulations appended being signed at Washington on the 25th November, 1927, by the representatives of all the powers who had taken part in the conference, and this convention was ratified by the Canadian Government on the 12th July, 1928. The result is in their lordships' opinion clear. It is Canada as a whole which is amenable to the other powers for the proper carrying out of the convention; and to prevent individuals in Canada infringing the stipulations of the convention it is necessary that the Dominion should pass legislation which should apply to all the dwellers in Canada.

The judgment declares that the subject-matter was new. Wireless and radio broadcasting were unknown in 1867, and of course are not to be found either in section 91 or section 92. Consequently His Lordship applies the general powers contained in the first part of section 91. This does not do violence to the powers of the provinces as contained in section 92, since those powers were not affected. The judgment, I believe, cannot be taken exception to by the most ardent provincialist in this Chamber or outside.

But this is not the whole of the judgment. The province claimed that wireless and radio broadcasting could be local, and that anything of a local nature belonged to provincial jurisdiction. But the learned judge answered that section 92 contained exceptions to the provincial jurisdiction over local works and

undertakings. For instance, paragraph 10 of the section:

Local works and undertakings other than such as are of the following classes:

(a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province.

The judgment points out that although you may have a radio receiver within the province, there must be a transmitter, which may be operated from any other province or from a foreign country. So if there was any analogy to be found in the question of telegraphs, the conclusion would be in favour of the exception which is made in clause 10, wherein it is stated that "telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province," belong to the federal authority. I believe that I am right in asserting that this finding of Lord Dunedin in no wise whittles down any of the rights of the provinces as embodied in section 92. His Lordship applies the general powers which are to be found in the opening part of section 91.

But that opinion goes somewhat further. It seems to adapt section 132 to the new status of the Dominion under the Statute of Westminster. Canada as a whole is amenable to foreign powers under that convention, the judgment declares, because, first, it is a convention that covers matters which are not to be found under section 91 or 92, and which know no frontiers, either interprovincial or international.

Are we justified in concluding that these pronouncements have in the least modified our Constitution in such a way as to give the Dominion the right to make treaties concerning powers exclusively assigned to the provinces, and thereby to annex those powers unto itself? Section 132 was imposed upon the provinces of Canada for the purpose of protecting treaties made by Great Britain. The provinces were on a parity with the Dominion as regards the obligation to respect those treaties: the provinces, as well as the Dominion, had to submit to the exigencies of that section. Now that authority is gone. Great Britain no longer legislates or contracts for Canada, unless Canada decides to join Great Britain in legislating or contracting. Great Britain could claim authority and by treaty or convention arbitrarily invade the provincial field; but can the Dominion of Canada claim that same authority, and by treaty or convention arbitrarily invade the provincial field because the subject-matter may be of general interest to the whole Dominion? That it can is one of the arguments advanced. My answer is that most questions are of general interest. There are in this country those who advocate national education—we have heard their voices raised even in this very Chamber, and there are others who favour legislative union.

In the matter of radio, as well as in the matter of aeronautics, we were bound by treaty or convention. Are we to-day in the presence of a treaty or convention? Clearly and certainly we are not. This is a draft convention. What is its origin? It had its origin in the Treaty of Versailles, article 23, and I draw the attention of honourable members of this Chamber to the first part of that article, because it has been alleged that, inasmuch as we have signed that treaty, anything flowing from it, and especially from the International Labour Organization and its conferences, becomes a part of our solemn obligation undertaken in Paris in 1919. Here is what article 23 says:

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League:

(a) will endeavour to secure and maintain fair and humane conditions of labour for men, women and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;

(b) undertake to secure just treatment of the native inhabitants of territories under their control;

(c) will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs;

(d) will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest;

(e) will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all members of the League. In this connection, the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind;

(f) will endeavour to take steps in matters of international concern for the prevention and control of disease.

I would point out that these are all matters that concern us, that bind us, but that they are "subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon. I contend that this draft convention was not an international convention eixsting in 1919, and it is not one to-day. It is what they call in French a projet de convention—a draft convention—to be submitted to the League of Nations.

Now, Part XIII of the Treaty of Peace deals with labour. It is a magnificent instrument, which we all should admire and strive to support. It is the Magna Charta of labour. I draw the attention of honourable senators to the matters covered by the preamble, which reads as follows:

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 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 employment, 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;

Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;

The high contracting parties, moved by sentiments of justice and humanity, as well as by the desire to secure the permanent peace of the world, agree to the following:

A permanent organization is hereby established for the promotion of the objects set forth in the preamble.

The original members of the League of Nations shall be the original members of this organization, and hereafter membership in the League of Nations shall carry with it membership of the said organization.

The permanent organization 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.

The procedure for the conferences that are to take place is to be found in article 405. I mention this because it is from these conferences that the draft conventions and recommendations that are made to the various adhering nations flow.

When the Conference has decided on the adoption of proposals with regard to an item in the agenda, it will rest with the Conference to determine whether these proposals shall take the form: (a) of a recommendation to be submitted to the Members for consideration with a view to effect being given to it by national legislation or otherwise, or (b) of a draft international convention for ratification by the Members.

In either case a majority of two-thirds of the votes cast by the delegates present will be necessary on the final vote for the adoption of the recommendation or draft convention, as the case may be, by the Conference.

In framing any recommendation or draft convention of general application the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organization or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.

A copy of the recommendation or draft convention shall be authenticated by the signature of the President of the Conference and of the Director and shall be deposited with the Secretary-General of the League of Nations. The Secretary-General will communicate a certified copy of the recommendation or draft convention to each of the Members.

These are the important clauses:

Each of the Members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the closing of the session of the Conference, bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

In the case of a recommendation, the Members will inform the Secretary-General of the action taken.

In the case of a draft convention, the Member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention to the Secretary-General and will take such action as may be necessary to make effective the provisions of such convention.

If on a recommendation no legislative or other action is taken to make a recommendation effective, or if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the member.

In the case of a federal state—

Now we are coming near to Canada.

In the case of a federal state, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that Government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this article with respect to recommendations shall apply in such case.

The above article shall be interpreted in accordance with the following principle:

In no case shall any Member be asked or required, as a result of the adoption of any recommendation or draft convention by the Conference, to lessen the protection afforded by its existing legislation to the workers concerned.

I desire to emphasize the words:

Each of the Members undertakes that it will bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

Now, I ask, under the terms of the Treaty of Versailles what are Canada's obligations? Canada undertakes to bring that recommendation or draft convention before the authority within whose competence the matter lies. The proposed convention reached Ottawa in 1920. It was but a draft, which could be turned into a recommendation. It could have no value until it was adopted, or ratified, or laid before the Federal Government. What was the authority which had the competence at that moment? The right honourable gentleman (Right Hon. Mr. Meighen) gave the answer. He said it was the provinces, and he sent the document to them. The Supreme Court also has given the answer, and it is the same: the provinces. So when this draft convention reached Canada the right honourable gentleman, the leader of this House, could do nothing but turn to the competent authority, and he quite properly said, "This must go to the provinces." At that moment, according to the very terms of article 405 of the Treaty of Versailles—which is as sacred as any of the other clauses of the treaty—the sole obligation of the Dominion ended. Therefore, when we are asked to support and approve the convention because of some obligation under the Treaty of Versailles, I should like to be shown where that obligation exists.

Section 132 of the British North America Act, which I have mentioned more than once, cannot avail in this case, because we are bound by no treaty nor convention. We are simply bound, upon receipt of that document, to deliver it to the proper authority. Not only is there no treaty nor convention, but there is no obligation towards a foreign country. The draft convention is but a unilateral document which does not call for reciprocity. A member may simply comply with it and notify the International Labour Organization that it has done so; or, for reasons of its own, it may refrain from complying.

It seems strange to be told that with respect to these matters we are obligated by the Versailles Treaty because we signed that treaty as a part of the British Empire. I think we signed it as the Dominion of Canada, and that we entered the League as a full-fledged autonomous country. However, this is not entirely relevant. The argument appears all the more strange when we find that after sixteen years India is the only British country that has signed this draft convention. Our great competitors in industrial pursuits and in foreign trades—Great Britain, the United States, Japan and Germany —along with thirty other nations, have so far not signed this draft convention of 1919. Yet Great Britain and Japan are legislative units, whereas Canada is a federal state.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman permit a question? Has India any right to sign this convention?

Hon. Mr. DANDURAND: The only reason I mentioned India was that when I looked through the list of countries which the Prime Minister stated had signed this draft convention, I noticed that India was included. The list comprised only 17 or 18 out of the 54 members of the League. I am not prepared to discuss the constitution of India, or the question of how it came to sign this convention.

Right Hon. Mr. MEIGHEN: Would the honourable gentleman mind if I asked a question on the point he has been discussing? Entirely aside from the constitutional issue, is the honourable gentleman opposed to the terms of the convention, to the adoption of them by Canada, because other countries have not adopted them?

Hon. Mr. DANDURAND: No, certainly not.

Right Hon. Mr. MEIGHEN: Then why mention the other countries?

Hon. Mr. DANDURAND: Because I am discussing the constitutional issue. I am simply answering the argument that because we signed the Treaty of Versailles we are bound to accept these conventions. I say that is not the view of the majority of the countries which signed that treaty. It is not the view of Great Britain, which within the League of Nations speaks for the British Empire with the exception of the autonomous Dominions. As we all know, Great Britain has a number of colonies, and on this account it is able to speak as an empire at the League. I may say that I have always been favourable to a reduction of hours of labour by the day and week, and to legislation tending to bring that about. But the question facing us now is: who has the power to pass such legislation in this country? That is the question to which I am addresing myself. As I have stated, Canada's only obligation was to transmit this draft convention to the provinces, and that was done by the Government of the right honourable leader of this House. But the present Government claims another procedure can be adopted. It

contends that by assuming an international obligation, that is, by accepting a convention and legislating thereon, it creates a federal jurisdiction. It pretends to find discretionary power in article 405 of the Covenant of the League of Nations. That article says:

In the case of a federal state, the power of which to enter into conventions on labour matters is subject to limitations—

I agree with my honourable friend's opinion in 1920 that this is our case.

—it shall be in the discretion of that government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this article with respect to recommendations shall apply in such case.

This simply means that when a federal state—whether the United States, Canada, Germany before the advent of Hitler, or any other federal state—receives such a draft convention, it has to determine to what authority the jurisdiction belongs. If it belongs to provinces, as in our case, then the federal state can transform the draft convention into a recommendation, in order to allow the provinces—and we have nine—to take cognizance of it and to act upon it by legislation.

Hon. Mr. LYNCH-STAUNTON: Does the honourable gentleman say that the German Government with the Kaiser and his council or parliament, had no power to bind the whole empire?

Hon. Mr. DANDURAND: I will not enter into a discussion of that. I was simply giving instances of federal states, and I mentioned Germany because I fully believe that a matter such as the one now before us could be dealt with not by the Reichstag, but only by the various component parts of Germany.

Hon. Mr. LYNCH-STAUNTON: The German Empire was a federation, was it not?

Hon. Mr. DANDURAND: I am simply mentioning some federated states. And now I am in Canada.

Right Hon. Mr. GRAHAM: Hitler does not rule here.

Hon. Mr. DANDURAND: I say that the discretion mentioned in this clause simply has the effect of allowing the federal state to transform a draft convention into a recommendation, and send it as such to the component parts of the federation—to the provinces in our case—because it is they who will have to pass the necessary legislation, if they decide to take action at all. And of course provinces are not able to sign a convention with outside countries; they are limited in this respect. The treaty-making power belongs to the Dominion, and the Dominion has the discretion of transforming a draft convention into a recommendation and sending it on to the provinces, for the purpose of ascertaining whether they are agreeable that the Federal Parliament should bind them by signing it.

Hon. Mr. LYNCH-STAUNTON: Does the honourable gentleman say that is the law?

Hon. Mr. DANDURAND: No; I say that could be done. I say that the provinces could agree by resolution or by act of their legislatures to allow the federal authority to sign a draft convention.

Hon. Mr. LYNCH-STAUNTON: Where does the honourable gentleman get authority for saying that the provinces can empower the Dominion to do anything?

Hon. Mr. DANDURAND: That would not transfer the authority from the provinces to the Dominion, but the provinces could support a draft convention. This question has often been debated in the Senate. A general conference of the International Labour Organization does not know exactly what conditions prevail in every one of the 54 countries, and so every federal state is given the discretion of transforming draft conventions into recommendations and sending them forward as such to the component parts of the state. But surely there is nothing in this provision that can vest a federal authority with any power that it does not already possess.

Hon. Mr. LYNCH-STAUNTON: That is right.

Hon. Mr. DANDURAND: I think that is clear. It cannot be maintained that article 405, giving discretion to federal states, empowers them to violate their own constitutions. A draft convention cannot be used as a means of building up a jurisdiction which does not exist.

The Government wants to acquire and exercise federal jurisdiction because a draft convention has been agreed to. But are we to understand that a mere deliberation by employers and employees at Geneva, or Washington—as in this case—will modify the British North America Act and mutilate the rights and powers of the provinces? If that were the case, it would be necessary only to resort to a draft convention, un projet de convention, whenever further constitutional authority was required. This phenomenal proposition reminds me of a statement made by the right honourable leader of this House when there was a similar display of doubtful

loyalty to the Constitution, and an abuse of authority by declaring work to be for the general advantage of Canada. It was a statement made in July, 1924, on a motion by the then Prime Minister, Right Hon. Mr. King, to refer this very draft convention to a committee of the other House. In the course of the debate the right honourable gentleman who now leads this House said, as reported at pages 4764 and 4765 of the House of Commons Hansard for that year:

> We have no right in the world to invade jurisdiction where provincial jurisdiction is clear, and do so under the guise of declaring this work or that for the general advantage of Canada. To do so would be the grossest abuse of the powers of this House, and I would not for one moment consider any such suggestion, no matter from what side of the House it emanated. This expresses my general idea of a most embarrassing question, and I give it, not in any spirit of criticism, but merely as my understanding of what this country is pledged to under the Geneva convention and as well of what we are pledged to keep away from under our obligations as a party to the contract of confederation.

Right Hon. Mr. MEIGHEN: Very good sense, that.

Right Hon. Mr. GRAHAM: It still ought to hold.

Right Hon. Mr. MEIGHEN: It does, too.

Hon. Mr. DANDURAND: A few minutes ago my right honourable friend asked if I was opposed to the terms of this convention. Certainly I am not. But the procedure that is proposed to us brings about a grave question, because, if it is agreed to, it will create a momentous precedent. The Prime Minister and his Government are looking to labour conferences as sources of further jurisdiction. But think of the list of resolutions and draft conventions which could be used to whittle down the provisions of the original contract upon which the federation was founded—to use the words of Lord Chancellor Sankey. The Government claims that it acquires jurisdiction from the moment an international conference makes a decision. I recall that Part XIII of the Treaty of Versailles, dealing with the organization of labour, recites that an improvement of labour conditions was 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 employment, 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.

All these things I approve, but I submit that most of them come within provincial jurisdiction. Yet, according to the principles enunciated by my right honourable friend, the simple fact of an international conference deciding upon any of these matters would entitle Parliament to legislate by approving the convention and upon it basing its jurisdiction.

We find in the list I have quoted vocational and technical education. In 1931 Parliament voted to the provinces an annual grant of $750,000 for a period of fifteen years. Thereby we recognized that this work was essentially under the jurisdiction of the provinces, and that all we could do was to assist them financially. If this Parliament approved the draft convention in favour of vocational education, could nothing prevent it from appropriating the subject-matter on the plea that it came under federal jurisdiction?

Whatever may be our opinion as to the necessity for enlarging the powers of the Dominion, its treaty-making power, I suggest, is limited by the form of our institutions. This power can be enlarged only by mutual consent or by amendment of the Constitution. The foreign countries which drafted and signed the Treaty of Versailles have shown respect for our form of government by recognizing our constitutional limitations. Should it not be our common duty to do likewise? In spite of our gradual development in all directions, our original Constitution stands inviolate until, by legal means, we decide to alter it. Let us never forget that the British North America Act is our Magna Charta.

Why not build on solid ground? A reference to the Supreme Court would settle the question of constitutionality. Shall we not be forced to take this step when we attempt to apply the law against an unwilling party? It has been well said—and these are my closing words—that assertion of jurisdiction does not confer jurisdiction.

Hon. G. LYNCH-STAUNTON: Honourable members, it is not my intention to enter into an elaborate argument, because in my opinion, except in so far as it may ease our consciences when we give our votes, any argument made here is in vain. The decision on this question, if the constitutionality of our action is ever disputed, will be made by the courts.

Right Hon. Mr. GRAHAM: That is right.

Hon. Mr. LYNCH-STAUNTON: Anything we may say in this Chamber will not sway the courts, for it will never be brought to their notice.

It is acknowledged on all sides that until this session all parties were under the impression that the subject-matter of the resolution, the regulation of the hours of labour, was within the exclusive jurisdiction of the provinces. That was the opinion of former Governments, and therefore they acted upon it, and quite properly so. I humbly submit that they were not correct.

Let us take an elementary view of the question. What is a treaty? It is an instrument made between sovereign states by their duly accredited representatives. Until within the last few years of the history of the British Empire, treaties were made by the Sovereign alone. They were not referred to Parliament for amendment or ratification. In fact treaties were often unknown to Parliament until long after they had become effective. However, the custom—and I speak under correction—grew up of having Parliament ratify treaties, but I know of no statutory provision embodying the principle that a treaty is not binding on the nation until ratified by Parliament.

Now, inherent in every sovereign nation is the treaty-making power. I submit that our Sovereign has power to make a treaty with any foreign nation, and that its validity does not depend upon parliamentary ratification. His Majesty is King of Canada, as well as King of the British Empire, and as such he has the power to make a treaty for Canada. If he has not that power, who has?

Hon. Mr. DANDURAND: The Canadian authorities.

Hon. Mr. LYNCH-STAUNTON: Yes, the Canadian authority. The Canadian authority has the power to make the treaty. Who is the Canadian authority? It is the King.

Hon. Mr. DANDURAND: As advised by his Ministers.

Hon. Mr. LYNCH-STAUNTON: No, I submit not. It is the King's right to make treaties, and that right has not been taken away from him. He is the head of the State —our Sovereign Lord the King.

But assuming that the sovereign has not absolute power—which I do not admit—then I submit that the Dominion Parliament, with the assent of the Sovereign, has the power. The treaty-making power must reside somewhere. It resides either with His Majesty the King or with the Government of Canada.

Hon. Mr. LACASSE: Will my honourable friend permit a question? As I have not the honour to belong to the enlightened fraternity of the law, I should like him to define for me and for our humble friends who do not belong to the profession, what we are to understand by the term constitutional monarchy as opposed to an autocracy.

Hon. Mr. LYNCH-STAUNTON: I do not understand the honourable gentleman's question.

Hon. Mr. LACASSE: I emphasize the word "constitutional" in opposition to the word "autocracy."

Hon. Mr. LYNCH-STAUNTON: The King is a constitutional monarch. In the government of this country he is subject to all the statutes to which he has assented that control his actions; but to no others.

Now, has the Sovereign the treaty-making power? If he has not, the power must reside somewhere in Ottawa. Then if the Canadian Government—taking it collectively as meaning the Governor-General, the Cabinet and Parliament—if that has the right to make a treaty, it has the right to enforce it.

Surely if the Dominion Government had the power to make the Treaty of Versailles, it has inherently the power to do everything which is necessary to carry out the terms of that treaty. If it has not, then we have no power to enter into a treaty at all. We have no right to make a treaty with the United States, with Germany, or with any other nation, unless we have the necessary power to enforce it.

I submit for the consideration of honourable members that if this treaty-making power resides with the Government of Canada, then it has an inherent right to enforce the terms of any treaty it may enter into. It would be ridiculous to say that we could not enforce its terms. And who can enforce them if the Dominion Government cannot? The provinces have no treaty-making power; therefore they have no power to enforce the terms of a treaty. I submit, without considering the authorities which have been cited in another place and here, that as to Canada, His Majesty the King has the treaty-making authority under the British North America Act; but if His Majesty cannot make a treaty on behalf of Canada, then under the Statute of Westminster we have a right, such as all nations possess, to enter into treaties with foreign governments.

We signed the Treaty of Versailles. We assented to this convention and we undertook to submit it to the proper authority for enforcement. There is no authority in

Canada but the Dominion Government to enforce the convention. The authority that enforces the convention must act for Canada. We undertook to submit the convention to the authority which can bind Canada, not the authority which can bind the County of Wentworth or the Province of Ontario.

If we have the treaty-making power, then it goes without saying that we have the right to pass legislation to compel the provinces to carry out the terms of the convention. Treaty-making and treaty enforcement are now the exclusive prerogative of the Dominion. When we pass legislation we are acting on behalf of Canada, not on behalf of the provinces. If the argument is well founded that the British Empire has been split up into a number of nations, then we cannot have any more British Empire treaties, for the treaty-making power has been lodged in each of the component Dominions. I contend that if we have split up the Empire we need not refer to the British North America Act at all. I suggest the Privy Council will hold that it is a power inherent in every state to force its subjects to observe the terms of any treaties which it may enter into.

The honourable leader on the other side has, either in earnest or histrionically, waxed indignant and claimed that we are whittling down the powers of the provinces. I submit that we are not. In fact we cannot whittle down provincial powers. We can in no way interfere with those powers. We can in no way limit the provinces in the exercise of those powers. If we have a right to pass this proposed legislation it is a right inherent in the Dominion Parliament, and not a right filched from the provinces. The provincial powers are limited by the wording of the British North America Act. For instance, in matters of insolvency it has been decided that where there is no Dominion legislation the provinces can pass legislation for the benefit of creditors. In Ontario we had an excellent Act, which never should have been superseded.

Hon. Mr. DANDURAND: In Quebec also.

Hon. Mr. LYNCH-STAUNTON: Under that Act insolvent estates were assigned to the sheriff, and he wound them up and paid over the proceeds to the creditors. Parliament passed the Bankruptcy Act. I never heard any person say that that was a trenching on the rights of the province. The Dominion was exercising one of its own rights.

Now, if the exercise of a Dominion jurisdiction results in putting one of the provinces' rights into cold storage, the Dominion's action cannot be said to be trenching on provincial rights, because such rights are subordinate to those of the Dominion. By this proposed legislation we are simply asserting our jurisdiction for what we think is the benefit of the whole country. In a word, I contend that Parliament has ample power to pass this proposed legislation.

Now, I suggest that the statute which is to come can be sustained on another ground, and that is that it is "for the good government of Canada." What can that phrase mean unless it means the passage of social legislation? It cannot mean criminal legislation. It is otherwise provided in the B.N.A. Act that we are to pass all criminal legislation. What is the meaning of "the good government of Canada"? We must not assume that those words in the statute are surplusage. It seems to me reasonable to say that the regulation of hours of labour is a subject which comes within the good government of Canada. If it does not, can it come within "order"—the maintenance of order in Canada, the regulation of our daily actions? I do not see that this word can refer to anything else. The criminal law keeps the peace. To my mind the word "peace" can relate only to the prevention of disturbances of the peace in Canada by external forces. The words in our statute can reasonably be interpreted, I submit, as covering the intended legislation.

Another point and I am done. The honourable gentleman opposite (Hon. Mr. Dandurand) has been stressing the words "recommend to the proper authority," and making the argument that we undertake, in a federated state, to recommend to the proper authority. I submit that we have no right to make any recommendation, because there is nobody to whom we can make it. I submit that the proper authority is not the province. What is the subject-matter of this agreement? It is the regulation of the hours of labour for Canada; not for the province of Ontario, the city of Hamilton, or the city of Montreal, but for Canada. When we come to look about to see who in Canada has the authority to regulate hours of labour, what do we find? Some people seem to think it is the provinces; but the provinces have no authority in that regard, and they have no authority to enter into an agreement with a foreign state to do anything. If you send this recommendation on to Quebec or to Ontario, what can they do? Can they send word to the Secretary of the League of Nations that they, on behalf of Canada, agree to this convention?

Hon. Mr. DANDURAND: They can pass the necessary legislation.

Hon. Mr. LYNCH-STAUNTON: I submit not. They can pass legislation for those provinces, but not for Canada.

Hon. Mr. DANDURAND: Prince Edward Island does not need this.

Hon. Mr. LYNCH-STAUNTON: We never promised that we would secure legislation for one part of Canada; we said we would use our best endeavours to get such legislation as was proper for Canada. It would be an outrageous thing for the authority to say, "The province of Quebec shall do so and so, and the province of Ontario shall not." And the province of Ontario could not cut down the hours of labour, for then people would move into Quebec.

Right Hon. Mr. GRAHAM: Then the Fathers of Confederation have been all wrong.

Hon. Mr. LYNCH-STAUNTON: The whole subject predicates that there is no authority to enter into this proposed agreement unless it be the Dominion. The provinces have no authority to write a letter to the League of Nations, no authority to do anything in that respect. Then, why make the recommendation to them? If there is any federation in the world where such authority is in the separate states, and they are joined together only for some illusory purpose, each might deal with the matter; but I cannot see how that is possible. If Germany signed that contract, how in the world could she recommend it to Prussia? Prussia is not a party to it; Prussia cannot be made a party to it. The Dominion Government cannot give authority to a province to enter into that agreement, and the province cannot give the Dominion Government authority to enter into it. Neither of them can delegate its power to the other; each must act of itself. This provision does not say "recommend to a province"; it says "recommend to the proper authority," and it is put in only because there may be an authority. In the United States, for example, a great many powers are vested in the Senate alone. It might be that the signatories of the document would agree that it be referred to the Senate, because the Senate can bind the United States. The agreement must refer to some authority which can bind Canada, and the only authority which can do that is the Dominion Government. Therefore I say there is no condition of law, constitutional or domestic, which can make that procedure of recommendation apply effectively in this country to any legislature except the Parliament of Canada.

Hon. Mr. MURDOCK: May I ask the honourable senator to give his view of section 16 of this convention? Or may I read it to him, and then ask him, in the light of what he has just been saying—

Hon. Mr. LYNCH-STAUNTON: If the honourable gentleman would let me have it, I would rather look at it.

Hon. Mr. DANDURAND: Would the honourable gentleman read the clause, because we do not know what it is about?

Hon. Mr. LYNCH-STAUNTON: Article 16:

> Each member of the International Labour Organization which ratifies this convention engages to apply it to its colonies, protectorates and possessions which are not fully self-governing:
>
> (a) Except where, owing to local conditions its provisions are inapplicable; or
>
> (b) Subject to such modifications as may be necessary to adapt its provisions to local conditions.
>
> Each member shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates and possessions which are not fully self-governing.

I do not think this article was intended to apply to a Dominion. It is only when a person wants to make a finesse that he tries to apply it in that way. If it were intended so to apply, however, the argument could be made—which might appeal to somebody, but probably would appeal to nobody—that it meant a Dominion if it possessed provinces. But as we are a long way from convincing anybody that we possess the provinces, I think the article can apply only to what, under our law, are referred to as Crown colonies. That is my view, and until the question is settled by the court, my view is just as good as anybody else's.

I am very much obliged to you, honourable members, for listening to my rambling remarks.

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

PRECIOUS METALS MARKING BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 2, an Act to amend the Precious Metals Marking Act, 1928.

Hon. Mr. DANDURAND: I think the right honourable gentleman has a statement to make.

Right Hon. Mr. MEIGHEN: I have, but it differs very little from the statement I made the other day, which I think sank in fairly well. The officers who are responsible for the administration of this Act are very desirous that the Bill go through without modification. That is to say, they do not

want any limitation of the time within which offenders may be punished.

Hon. Mr. DANDURAND: They want no prescription?

Right Hon. Mr. MEIGHEN: No. And the reasons they give are rather impressive. The practices of the trade, including frequently holding in stock for long periods, make it impracticable for the administering department to suggest a period of extension likely to prove of practical value. As I sought to explain the other day, when an article is purchased it probably has already lain in the store for months, if not for years. There may be a defect, in violation of the law, and the article may remain in the purchaser's hands for a number of years longer before that defect is discovered. Now, if a time limit is placed on the bringing of prosecutions, it will provide one way out for the offender. The only argument for a limitation is that without it the law would be unfair to an accused person, since he might be compelled to defend himself many years after the commission of the alleged offence, when evidence that could have been adduced on his behalf within a shorter period has perhaps disappeared. Witnesses may die, documents may vanish. Consequently the law usually, though not always, provides that prosecutions must take place within a certain period after the alleged violation. But the reasons for a limitation do not apply here, because if a person is accused under this law he is able to defend himself equally well, regardless of whether the alleged offence dates back fifteen years or a few months. His evidence would consist not of documents nor the testimony of witnesses, but of the article itself. The law as it existed at the time of the alleged offence would of course have to be proved.

In other words, if the defendant's evidence had disappeared, there could be no case against him, for the prosecution also would have no evidence. The accused would in no way be handicapped because of the interval which had elapsed, regardless of the length of that interval. This is the reason behind the attitude of the administering officials. They feel that to have any limitation at all of the period within which a prosecution may be brought would seriously impair the efficiency of the Act. The department states that a prosecution of great importance to the trade was recently dismissed because there was no chance to bring the action within the statutory limit. Six months is a short period. I suppose the honourable senator would not object to six years. But even that term would prove too short in many cases. Once it is made clear that no injustice can be done to anyone by reason of the lateness of the prosecution, the reason for a limitation vanishes.

Hon. Mr. DANDURAND: Perhaps if a person discovers a defect in a piece of jewelry which he has been wearing for fifteen years he may think that by that time he has had his money's worth in enjoyment of the article.

Right Hon. Mr. MEIGHEN: And there may be no prosecution brought.

Hon. Mr. DANDURAND: No.

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

ELECTRICITY INSPECTION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 18, an Act to amend the Electricity Inspection Act, 1928, (French version).

He said: Honourable members, the only purpose of this measure is to insert in the French version of the Act certain words which were inadvertently, and, I understand, by a printer's error, omitted when the French version was printed.

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

PRIVATE BILL

SECOND READING

Hon. Mr. L'ESPERANCE moved the second reading of Bill B, an Act respecting Canadian Marconi Company.

Right Hon. Mr. GRAHAM: Explain. What does it mean?

Hon. Mr. L'ESPERANCE: I am making the motion for the sponsor (Hon. Mr. Beaubien), who is absent. No doubt he will explain the Bill in committee.

Right Hon. Mr. MEIGHEN: If it is important to have the explanation now, I think I can give it, though I have not the Bill before me. The first clause merely provides for an increase in the possible number of directors of the company: there shall be not more than eleven nor fewer than three. Then there is a provision that the company, in addition to manufacturing and dealing in articles such as are pertinent to its main business, may manufacture and deal in anything for which its premises are fitted. That

is usually inserted in manufacturing companies' charters. The only other clause in the Bill provides that the company's funds may be invested in shares, debentures and other securities. This amendment is exactly in the terms of the Companies Act.

Hon. Mr. LYNCH-STAUNTON: Does the right honourable gentleman not think the company's powers as to investments should be discussed by the House?

Right Hon. Mr. MEIGHEN: Yes. I intend to suggest that after the Bill is given second reading it be referred to the Standing Committee on Miscellaneous Private Bills.

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, February 20, 1935.

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

Prayers and routine proceedings.

PORT OF CHURCHILL STATISTICS, 1934

ORDER FOR RETURN

On the notice by Hon. Mr. Casgrain:

That he will inquire of the Government:

1. What was the date of the arrival of the first ocean ship in 1934 at Churchill?
2. How many tons of freight, if any, did it land?
3. Were there any duties paid on this first cargo; if so, how much?
4. What was the amount of port dues paid on this first arrival?
5. What was the date of the departure of the last ocean ship sailing from Churchill?
6. How many tons of cargo and how many bushels of wheat or other grains did the last ship carry across the Atlantic?
7. How many bushels of grain were shipped from Churchill in the 1934 season?
8. How many cattle, if any, were shipped during the same season?
9. What was the price per head for ocean freight?
10. What was the cost for maintenance, repairs, etc., to the Government elevators?
11. How many men were employed during the season of navigation in this elevator?
12. How much was paid to them?
13. What was the total amount paid for the general use of this elevator by the shippers?
14. How many bushels of grain of all sorts passed through this elevator during the last season?
15. What was the cost to the Government for the operation of this port during the last season?
16. What were the total receipts of this port during the last season?
17. What was the total expenditure for lighthouses, aids to navigation, use of ice-breakers, if any, during the last season?

Right Hon. Mr. MEIGHEN: It is requested that this inquiry be made an order for a return. Three departments are concerned in the preparation of the answer, which is now being proceeded with.

Hon. Mr. CASGRAIN: I have asked for returns before, but the information is never brought down during the current session. I do not see why this should be made an order for a return. The questions are very simple. I am willing to wait for answers until I am in my eightieth year, if the right honourable gentleman so desires—

Hon. Mr. BALLANTYNE: That is too long to wait.

Hon. Mr. CASGRAIN: —but I do not want the inquiry changed to an order for a return.

Right Hon. Mr. MEIGHEN: While we were awaiting an answer the inquiry would have to be printed every day. I will undertake that the honourable member's questions shall be answered. If it so happens that he has just had a birthday, he will get the answers before the next one.

The Hon. the SPEAKER: It stands as an order for a return?

Hon. Mr. CASGRAIN: No. I do not want an order for a return, because we never get answers in that way.

Right Hon. Mr. MEIGHEN: I have undertaken to give the answers. The honourable gentleman has to submit to the rule.

Hon. Mr. CASGRAIN: Well, drop it.

Right Hon. Mr. MEIGHEN: No, we will not drop it. I will see that the return is brought down.

The Hon. the SPEAKER: It stands as an order for a return.

ELECTRICITY INSPECTION BILL

THIRD READING

Bill 18, an Act to amend the Electricity Inspection Act, 1928, (French version).—Right Hon. Mr. Meighen.

INTERNATIONAL LABOUR CONVENTION

LIMITATION OF HOURS OF WORK

The Senate resumed from yesterday the adjourned debate on the motion of Right Hon. Mr. Meighen:

That it is expedient that Parliament do approve of the Convention Limiting the Hours of Work in Industrial Undertakings to Eight in the Day and Forty-eight in the Week adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its First Session in Washington on the 28th day of November, 1919.

Hon. JAMES MURDOCK: Honourable senators, someone has said that all things come to those who wait. To-day, in respect to this question that we have before us, I feel happier and more assured than I have felt for many years. I am going to undertake to discuss this question from the viewpoint of a layman, of course. Some laymen have very pronounced views, which may be unsound legally, and they very often hold to those views even in disregard of being set right by eminent legal gentlemen. I have read more than once the very exhaustive discussion that developed on this question in another place on the 8th day of the present month. Some parts of that discussion I have read as often as three or four times, and I rejoice in the belief that in the matter of determining the length of day for the workingmen of Canada we are nearer to the point where we should have been these many years past.

It may not be improper for me to digress for a moment to indicate when and where the question of an eight-hour day was first dealt with on this North American continent. I go back in retrospect to August 17, 1916. More than 700 general chairmen, representing the four large railway transportation organizations, assembled in Washington and met the Chief Citizen of the United States. Before the conclusion of the conference he assured them that the eight-hour day would be made effective on the railroads of that country. If the walls of this Chamber could speak, I am quite sure they would bear witness to the fact that many distinguished senators have from time to time shown marked exception to the McAdoo Award, which was published two years later. That Award specifically provided for the establishment of an eight-hour day on the railroads of the United States. I think the record will show that several honourable members objected—yes, and possibly some of them, who may not be in their seats at the moment, would still most earnestly object by word of mouth and by other means at their disposal for the promulgation of their views. But at last, in 1935, Canada is seriously discussing the eight-hour day, with, I hope, every prospect of its being established by statutory enactment.

As a matter of fact the eight-hour day is now out of date, in view of the pressing necessity facing the nations of the world to secure work for their unemployed. Still, it will be all to the good if in this Parliament we can find authority to put into effect what is contemplated by the motion now before us.

As a layman, and without the slightest intention of causing offence to the distinguished and capable gentlemen of this House who are members of the legal profession, may I say that I have always held the view—and I hold it more firmly now than ever—that some of these distinguished world courts, when dealing with the welfare of humanity, have only too often been guided by the suggestions or desires of the powers that happened to be in control in the various countries where the question of an eight-hour day was under discussion.

To sustain this view, may I quote an editorial in last night's Ottawa Journal. Within the past few weeks we have been either edified or horrified by the thought that the Supreme Court of the United States might hand down a decision which would make certain industries and railroads and the Government of that country pay $1.69 on the dollar. I am quite sure that all citizens of the two great nations on this North American continent heaved a sigh of relief when, a few days ago, that tribunal decided by five to four that the action taken by the United States Administration in regard to the devaluation of the dollar was entitled to support, and that the dollar was worth only 100 cents. The Ottawa Journal of last night, in referring to the United States gold decision, conveys what has been my view for many years. It states:

Actually, there never was much chance of the Supreme Court doing anything else.

That is, anything other than sustaining the Government.

To have done anything else would have meant financial chaos in the United States, would have crushed practically all of the New Deal policies.

And the next paragraph is the one that I want particularly to bring to the attention of the Senate:

That is not the task of the United States Supreme Court. A branch of the United States

Government, its task is not so much to abide by the rigid letter of the law as to see to it that the constitution is interpreted and expanded to meet realities and circumstances. In this respect—

and this is what I am going to deal with later—

In this respect it is on all fours with the Judicial Committee of the Imperial Privy Council.

I shall undertake to show by reference and quotation that that statement is absolutely correct, and as a layman I am going to express the view that the Imperial Privy Council is guided somewhat by the real necessities.

Some will say that conditions have materially changed. Of course they have. But to me the question has always seemed to be this: why should this Parliament, dominating and determining the rights of Canadian citizens, have held for one moment, or been content to say, that it had no right to deal with conditions affecting mankind and womankind that were unknown and undreamed of in 1867, when the British North America Act was formulated? Nobody at that time had ever dreamed of the necessity of bringing about an eight-hour day. No one had dreamed of the necessity of establishing minimum wages to protect needle-women working under sweat-shop conditions, or boys working under conditions to which they should not be subjected. Surely, many of these things were unthought of at that time. Yet it has been argued by eminent legal gentlemen on both sides that, under sections 91 and 92 of the Act, the Federal Government was precluded from taking action in respect of the eight-hour day and similar proposals made by the International Labour Organization for the purpose of promulgating something, under Part XIII of the Treaty of Versailles, for the benefit and comfort of the workers of the world. In my opinion Canada has been denied that right merely on a technicality, and no man in Canada is more pleased than I am to know that many distinguished gentlemen who took that view in the past are now presenting with earnestness the view that Canada has a right to deal with some of these things. We have concrete evidence of this fact in the motion that is before us to-day.

In years gone by, the uninitiated layman heard a great deal about section 91 giving the Dominion the right to do certain things and section 92 precluding it from the possibility of doing certain other things. But too often the layman has not known just what those sections covered; so, with the indulgence of honourable gentlemen, I should like to place them on record. To save time I shall refrain from reading them, but I want to discuss two or three phases of these sections as they appeal to me as an ordinary citizen not possessed of legal knowledge. I therefore ask permission to place on Hansard sections 91 and 92 of the British North America Act.

91. It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this Act) the exclusive legislative authority of the Parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated; that is to say:—

1. The public debt and property.
2. The regulation of trade and commerce.
3. The raising of money by any mode or system of taxation.
4. The borrowing of money on the public credit.
5. Postal service.
6. The census and statistics.
7. Militia, military and naval service and defence.
8. The fixing of and providing for the salaries and allowances of civil and other officers of the Government of Canada.
9. Beacons, buoys, lighthouses and Sable Island.
10. Navigation and shipping.
11. Quarantine and the establishment and maintenance of marine hospitals.
12. Sea coast and inland fisheries.
13. Ferries between a province and any British or foreign country or between two provinces.
14. Currency and coinage.
15. Banking, incorporation of banks, and the issue of paper money.
16. Savings banks.
17. Weights and measures.
18. Bills of exchange and promissory notes.
19. Interest.
20. Legal tender.
21. Bankruptcy and insolvency.
22. Patents of invention and discovery.
23. Copyrights.
24. Indians, and lands reserved for the Indians.
25. Naturalization and aliens.
26. Marriage and divorce.
27. The criminal law, except the constitution of courts of criminal jurisdiction, but including the procedure in criminal matters.
28. The establishment, maintenance, and management of penitentiaries.
29. Such classes of subjects as are expressly excepted in the enumeration of the classes of subjects by this Act assigned exclusively to the legislatures of the provinces.

And any matter coming within any of the classes of subjects enumerated in this section shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this Act assigned exclusively to the legislatures of the provinces.

92. In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereafter enumerated, that is to say:—

1. The amendment from time to time, notwithstanding anything in this Act, of the constitution of the province, except as regards the office of Lieutenant Governor.
2. Direct taxation within the province in order to the raising of a revenue for provincial purposes.
3. The borrowing of money on the sole credit of the province.
4. The establishment and tenure of provincial offices and the appointment and payment of provincial officers.
5. The management and sale of public lands belonging to the province and of the timber and wood thereon.
6. The establishment, maintenance, and management of public and reformatory prisons in and for the province.
7. The establishment, maintenance, and management of hospitals, asylums, charities, and eleemosynary institutions in and for the province, other than marine hospitals.
8. Municipal institutions in the province.
9. Shop, saloon, tavern, auctioneer, and other licences in order to the raising of a revenue for provincial, local, or municipal purposes.
10. Local works and undertakings other than such as are of the following classes:—
    (a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province:
    (b) Lines of steamships between the province and any other British or foreign country:
    (c) Such works as, although wholly situate within the province, are before or after their execution declared by the Parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.
11. The incorporation of companies with provincial objects.
12. The solemnization of marriage in the province.
13. Property and civil rights in the province.
14. The administration of justice in the province, including the constitution, maintenance and organization of provincial courts, both of civil and criminal jurisdiction and including procedure in civil matters in those courts.
15. The imposition of punishment by fine, penalty, or imprisonment for enforcing any law of the province made in relation to any matter coming within any of the classes of subjects enumerated in this section.
16. Generally all matters of a merely local or private nature in the province.

Looking at the matter from the standpoint of a layman, we find that at the commencement of section 91 it is stated:

It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces.

Will any honourable gentleman, whether of the legal profession or not, tell me that when that language was incorporated in the British North America Act there was any thought of minimum wages, the eight-hour day, or many of the various other questions that to-day affect the rights and welfare of the men and women of Canada? Can anyone possibly argue that any of these questions now before us were before the Fathers of Confederation when they formulated and laid down this language for our guidance in the years to come? The answer must be no. It seems to me, therefore—of course I am speaking as a layman, but I know this appeals to thousands of other laymen in this Canada of ours—that we have the absolute right to legislate in relation to matters not assigned exclusively to the legislatures of the provinces by section 92.

Then why is it that there has been all this trouble in the past few years? Why has the eight-hour day not become an accomplished fact between the time when it was enunciated and laid down in Washington, in 1919, and 1935? Well, as regards that great country to the south, we know why; and, without intending the slightest particle of offence, may I say that in my humble judgment the same reasons apply equally on this side of the line.

Who was it who propounded and first made effective on the North American continent an eight-hour day? It was that great statesman of the neighbouring republic who, within less than a year after the 17th day of August, 1916, when he conceded the eight-hour day, led his country into the great World War that was expected to bring about better conditions for humanity generally. What followed? We find that a little better than a year afterward—thirteen months, to be exact—the eight-hour day was further enunciated in the so-called McAdoo Award, to which I referred a few moments ago. And then what happened? Political obstinacy, rivalry, and all that is detrimental to the rights and the interests of the common citizen prevented that great statesman from putting further

into effect the principles he had assisted in laying down in Part XIII of the Treaty of Versailles. The principles for which he had contended from one end of the nation to the other were bored from within and Borahed from without, so that it was impossible for the lawmakers of that country to do what he had hoped would be done for the common people.

Within less than eight months after the signing of the Treaty of Versailles the United States Government invited the International Labour Organization, which had been set up by the treaty, to hold its first meeting in the city of Washington. It met there, and the first thing it did was to take up the question of hours of labour and recommend the eight-hour day to the nations of the world. Yet the two nations of this North American continent have so far not adopted that recommendation. For some years I have endeavoured to observe the developments on this question and on similar and just as important questions, and to me the situation is a tragic one. Personally I blame political ambition and rivalry for the condition in which these two North American nations find themselves in respect to these questions affecting the social welfare of their citizens. I do not blame any one party or person more than another, because I happen to know that no good thing can come out of Nazareth—meaning the other party. That is held first, last and all the time.

I happened to be in the unfortunate position of holding office as a Minister of the Crown when this same general question came up, in relation not particularly to the eight-hour day, but to certain matters affecting the powers of Canada to deal with the rights, interests and welfare of her workmen, and I know that the contentions of the Dominion were on more than one occasion rejected. I have reference to what happened in connection with the Industrial Disputes Investigation Act and the Combines Investigation Act. I do not know that I am altogether competent to discuss specifically all the whys and wherefores of these matters, but as a layman I have some ideas with respect to them too. Let me read to you certain views as expressed by Viscount Haldane, Lord Chancellor, when rendering the judgment of the Judicial Committee of the Privy Council, in 1925, with reference to the validity of the Industrial Disputes Investigation Act. He said:

> It was pointed out that the Dominion had exclusive legislative power to create new crimes "where the subject-matter is one which, by its very nature, belongs to the domain of criminal jurisprudence." But "it is quite another thing, first to attempt to interfere with a class of subject committed exclusively to the provincial legislature, and then to justify this by enacting ancillary provisions designated as new phases of Dominion criminal law, which require a title to so interfere as the basis of their application."
>
> Their Lordships are of opinion that, on authority as well as on principle, they are today precluded from accepting the arguments that the Dominion Act in controversy can be justified as being an exercise of the Dominion power under section 91 in relation to criminal law.

And a little further on he stated:

> Nor does the invocation of the specific power in section 91 to regulate trade and commerce assist the Dominion contention.

Environment and heredity, precept and example govern all of us, I think, to a greater or lesser extent. For instance, I believe it would be difficult to take a young person who had been brought up as a devout Methodist and convert him to some different religious viewpoint. Of course such a thing can be done, for there are exceptions to all rules, but it would be an unusual occurrence. Now, it seems to me that in considering this judgment of Viscount Haldane we should ask ourselves some questions about him. This is not a new opinion with me, for I have held it since 1925. It is, again, only the opinion of a layman, and I give it for what it is worth. I think we should inquire under what conditions he acquired the views which are partially, and only partially, enunciated in the words I have read. If you look up the record of his career you will find that one of his early assignments in the legal profession was as an associate counsel for the province of New Brunswick, in a case in which he argued directly in opposition to the view that we are now going to hold, that the Dominion has some authority in certain of these matters. That important argument was made three thousand miles away from the scene which showed the necessity of the Dominion's having the right to deal with certain matters not even dreamed of in 1867, and I have long felt that the early training and conviction that were necessary to make him an acceptable and capable associate counsel in that case had played a large part in the denial to Canada for some years of the authority and right which unquestionably she should have had, and should now have.

Now let us take a different point of view, one that apparently has resulted from neither environment nor teaching, but from the application of sheer common sense to modern conditions. Lord Chancellor Sankey, in rendering a judicial decision of the Privy Council in October, 1931, appears to have recognized the materially changed and changing world

conditions affecting Canada, as well as other countries, and necessitating what ordinary layman might term a more constructive and more effective plan of dealing with present-day issues. When laying down certain principles he stated:

> The general power of legislation conferred upon the Parliament of the Dominion by section 91 of the Act in supplement of the power to legislate upon the subjects expressly enumerated must be strictly confined to such matters as are unquestionably of national interest and importance, and must not trench on any of the subjects enumerated in section 92, as within the scope of provincial legislation, unless these matters have attained such dimensions as to affect the body politic of the Dominion.
>
> It is within the competence of the Dominion Parliament to provide for matters which, though otherwise within the legislative competence of the provincial legislature, are necessarily incidental to effective legislation by the Parliament of the Dominion upon a subject of legislation expressly enumerated in section 91.
>
> There can be a domain in which provincial and Dominion legislation may overlap, in which case, neither legislation will be ultra vires if the field is clear, but if the field is not clear and the two legislations meet, the Dominion legislation must prevail.

In the name of common sense and justice, what more do we want? What more could we have asked for or been given in years that have gone by? To my mind it is a standing disgrace to those who assume to legislate for the people of Canada that in this day and age we have been passing the buck from one authority to the other, and at the same time denying to the ordinary citizen the relief to which he possibly was entitled, not only with respect to this measure, but also to many others which I hope will be adopted before long.

Now, one further word about the absurdities of section 91, as I view the section. Among the specific powers assigned to the Dominion I find, in paragraph 26, marriage and divorce. I hope some honourable member will not tell me that section 92 also deals with the same subject; I know it does. My point is this. Is it possible in our sane and humane civilization that although this Parliament has the right to deal with marriage and divorce, yet it has no right to protect the woman who is about to be married against sweat-shop conditions, under which she is sewing on buttons for two cents a hundred or some such miserable rate of pay, and must go without sufficient food and comfort in this land of plenty? Can it be seriously suggested that Parliament has no right to deal with such conditions, that it has no authority to ensure that she and her prospective husband shall be decently and properly treated as Canadian citizens up to the time they decide to marry? In the humble opinion of this layman it is utterly absurd that since the enactment of the British North America Act we have been passing the buck as to whether the province or the Dominion has authority in relation to this or that matter affecting the welfare of the people.

I hope no word of mine will convey the impression that I favour scrapping the British North America Act. No! not by any means. I stand for minority rights under the Constitution. But for goodness' sake, in deference to the hopes, the aspirations and the rights of the common citizens of Canada, let us not hide behind the flimsy excuse that we have no right to deal with the eight-hour day or other important social questions because they were not spelled out in the British North America Act. The reason they were not specified in 1867 is that they were not dreamed of in those days.

In my judgment it is a happy day for Canada when we find ourselves throwing to one side all the subterfuge that many of us on both sides have resorted to in the years gone by. To-day we are ready to get down to brass tacks and, as representatives of the people, to assume our responsibility and so discharge our duty as to be worthy of the trust reposed in us.

Hon. RODOLPHE LEMIEUX: Honourable gentlemen, I do not intend to dilate at any length on the very important issue now before us. Last week, when the right honourable leader of the House introduced this resolution, I had the privilege of saying a few words. Perhaps I may not be in order in speaking further to the question to-day; but if I may proceed by leave of the House, I promise that I will not detain honourable members very long.

Hon. Mr. POPE: All right, go ahead.

Hon. Mr. LEMIEUX: Thank you. I have listened to the debate with a great deal of interest. It is a credit to the Chamber that so admirable a lead was given by the right honourable gentleman with his clear mind and admittedly great eloquence, and by my honourable leader.

Speaking as an old-time Liberal—although in this debate I may part company with some of my Liberal friends—I think that yesterday the honourable senator from De Lorimier (Hon. Mr. Dandurand) delivered an address which might well be described as a declaration of the charter, so to speak, of our pro-

vincial rights. It is surprising—I made the remark last night to a friend of mine after listening to my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton)—it is surprising how some words which at one time had a strong appeal for the Canadian people, such words as "autonomy" and "provincial rights," have now become obsolete. I recall in the famous Naval debate—my right honourable friend will remember it too—in the course of an address delivered by one of our colleagues in the other Chamber, as we were arguing autonomy, he exclaimed, "Oh! I am tired of hearing about autonomy." In the present debate in both Chambers, and in the public press, provincial rights have apparently been disregarded.

Now, much as I respect the opinion of my honourable friend from Parkdale (Hon. Mr. Murdock), who speaks so eloquently on behalf of those whom he has ably represented for almost twenty years past, I must say that I do not agree with him. He speaks slightingly of the Fathers of Confederation and of the British North America Act. I take issue with him at once. I stand for the British North America Act, for the Constitution as it was given to us by the Fathers of Confederation.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LEMIEUX: In his admirable history of Canada under the Union our colleague the honourable senator from Grandville (Hon. Mr. Chapais) gives us a very graphic account of the gigantic battle for Confederation. I notice that he is a very fair exponent of the theories of those who favoured Confederation and of those who opposed it. In his concluding pages he states that the whole instrument of Confederation was the result of a series of compromises which, brought together, partly eliminated, and finally consolidated, made up the Magna Charta of Canada. For this charter I stand firmly and—may I say—patriotically. I resent any adverse comment on the Constitution.

To appreciate the work of the Fathers of Confederation one must remember the troubled state of the two old provinces—the seed plot of the Constitution. One must remember the position of George Brown, of John Alexander Macdonald, of George Etienne Cartier. These three men did not agree on all questions. Cartier and Macdonald worked together, but there were some matters on which they were sharply divided. Despite those differences, they united their efforts for Confederation and succeeded in securing the support of George Brown and a large section of the Liberal party in the province of Ontario.

Now, to speak lightly of those great men is, to my mind, lamentable. In Roman law, as my right honourable friend knows, certain things are called res sacrae—things to be respected, to be held in veneration. I look upon the Confederation pact as a res sacra for Canadians of all creeds and of every racial extraction.

I may be termed a provincialist or a "little Canadian." I shall not complain, but during these times of agitation when one does not know whether a Liberal or a Conservative Government, or perhaps, some day, a Socialist Government, will control this Dominion, I think we should be very prudent in dealing with the Ark of the Covenant. For my part I do not agree that we should lay sacrilegious hands on this pact.

Now, the Prime Minister himself recognized the sanctity of that covenant with respect to minorities. I speak for the minority because I represent the old district of Rougemont, which for many years was represented here by that grand old centenarian, Senator Dessaulles. The Prime Minister a few years ago, discussing a certain resolution adopted at a Liberal convention in Ontario, a resolution with which I do not wholly agree—and I regret to have been unable to attend the convention—said:

> The document I have before me is not entitled "the policy of the Liberal party," but at the end I find the words: "The League for Social Reconstruction."
>
> "The present capitalist system has shown itself unjust and inhuman, economically wasteful and a standing threat to peace and democratic government."

The fourth and fifth paragraphs of the document read:

> Social legislation to secure to the worker adequate income and leisure, freedom of association, insurance against illness, accident, old age, and unemployment, and an effective voice in the management of his industry.
>
> The vesting in Canada of the power to amend and interpret the Canadian Constitution so as to give the Federal Government power to control the national economic development.

Then the Prime Minister said:

> I commend that to the members from Quebec. There go your provincial rights, there goes your provincial constitution.

I am not sure that the Prime Minister did not exaggerate a little when he made that statement, but at all events I for one will not relinquish the provincial rights to which we in the province of Quebec are entitled, the rights to which not only the French min-

ority but also the English minority, as I shall show in a moment, are entitled, or the rights of my friends from Ontario, whose forefathers were the framers of that Constitution.

But there has been more than one warning by the right honourable the Premier about provincial rights. The main instrument itself, the British North America Act, defines, not vaguely, but clearly, the respective jurisdictions of the Dominion Parliament and of the provincial legislatures. I need not quote sections 91 and 92. From the moment the Act came into force there were doubts in the minds of many in the various provinces as to the exact meaning of some of its sections; there were cases before the courts, which provide us with a jurisprudence that should not be ignored. I may call it the classical jurisprudence of our Canadian Constitution. There were the famous insurance cases—the Citizen Insurance Company case and the Parsons case. There was the case of Hodge against the Queen. That had to do with the Ontario Licence Act, which more properly should be called the McCarthy Act, because when Sir John A. Macdonald pointed to the "little tyrant of Ontario," meaning Sir Oliver Mowat, he said, "I shall enact federal legislation which will destroy the autocratic power of that little tyrant." An Act was introduced in the Federal Parliament. I think my friend (Hon. Mr. Murphy) and I were then at college, and possibly heard some of the spokesmen on that very important Act. Mr. D'Alton McCarthy, one of the ablest men who ever sat in the Canadian Parliament, was the protagonist of Sir John Macdonald's legislation. By the McCarthy Act the power of the local government of issuing licences and securing the revenues from them was transferred to the Dominion Government. The question was taken to the courts, and then the Privy Council, where both Sir Oliver Mowat, the champion of provincial rights in his day, and Mr. Edward Blake, won a significant victory.

Hon. Mr. CASGRAIN: There was the Streams Bill.

Hon. Mr. LEMIEUX: Oh, yes, there were the Streams Bill, the McLaren affair, and the Caldwell case. So I regret to hear some of my friends—and I think I have friends on both sides—speak lightly of the jurisprudence which was established from the very beginning, and which came to be a pillar of light to guide us in the future. These cases are cited very often, and they stood as a bar against those who were inclined to encroach upon the rights secured under the Constitution of 1867.

I said a moment ago that I thought provincial rights were at times unpopular when invoked. Some people seemed to tire of hearing of them. But Sir John Macdonald was not afraid to assert provincial rights, although in many instances he opposed the policies of Sir Oliver Mowat. They were antagonists. Let me read from the life of Sir Oliver Mowat what was said by Sir John Macdonald:

> The provinces have their rights; and the question is not whether this House thinks the local legislature to have been right or wrong. Whenever such a matter as this—

He was speaking of the School Question in New Brunswick.

> —comes before us we should say at once that we have no right to interfere as long as the different provincial legislatures have acted within the bounds of the authority which the Constitution gives them. If they did not know that the question they were arguing and discussing and amending and modifying to suit their own people would be law, it was all a sham, and the federal principle was gone for ever.

My honourable friends must not forget that we live under a federal system of government in Canada. If we think otherwise, the British North America Act is but a sham and a fraud. Yes, we have a federal system, and it is on the basis of a federal compact that we must encompass our whole constitutional instrument.

Listen to what that other great constitutionalist Mr. Edward Blake said in 1886:

> I have always considered this to be, of all the controversies between the Dominion and the provinces, by far the most important from a constitutional point of view, for it involves the principle which must regulate the use by the Dominion Government of the power of disallowing provincial legislation. This is a vital question as affecting our local liberties. I maintain that under our Constitution, properly interpreted, the provinces have the uncontrollable power of passing laws, valid and binding laws, upon all those matters which are exclusively within their competence, except, perhaps, in the rare cases in which such legislation may be shown substantially to affect Dominion interests. If you are to admit the view that the Dominion Cabinet may veto and destroy your legislation on purely local questions, you make your local legislatures a sham, and you had better openly, honestly and aboveboard do that which the other system aims at, viz.: create one central legislative power and let the Parliament at Ottawa do all the business.

I should be very sorry if in this matter, where the question of provincial rights is surely to the forefront, this Parliament and the right honourable leader of this House and the right honourable the Premier were to treat lightly the British North America Act

by reason of a passing frenzy caused by an approaching election. I am only supposing; I do not know. There may be, for all that, another extension of Parliament. It happened in 1917. But I should be sorry to see the leaders of our Parliament deal lightly with our Constitution under the pretence that this social legislation would be popular with the labouring element of Canada.

In this Senate of Canada we are far away from the masses, and we can speak our minds freely and openly in regard to this matter. I am a conservative in the sense that I do not want the Canadian Constitution to be ridden over roughshod. I want the Canadian Constitution to be respected.

Moreover, after hearing legal men of the standing of the Secretary of State, admittedly a distinguished lawyer, a man whose opinion I prize, and men like the right honourable the leader of this House, the Premier of Canada and the Minister of Justice, stating openly and clearly that the matters covered by the resolution we are discussing cannot come under the purview of the federal power, I ask how can they so rapidly change that view, which they held a year or two ago, and even last fall. Let me quote what my friend the Secretary of State said when addressing the Young Men's Canadian Club at the Queen's Hotel in Montreal last November. He took the stand that social legislation came exclusively under the jurisdiction of the provinces. He used very emphatic language, as you will see. He said:

On the other hand, there are political and social propagandists—

I do not know to whom he referred. I hope it was not my good friend from Parkdale—

Hon. Mr. MURDOCK: I think he referred to both of us.

Hon. Mr. LEMIEUX: Oh, no, because I realize that, contrary to the general consensus of opinion that this resolution should be adopted and that we should bless it, I am in a hopeless minority.

He said:

On the other hand, there are political and social propagandists—blind leaders of the blind—

That is very strong language.

—who are persistent in their efforts to procure the Dominion Parliament to pretend to appropriate and illegally to exercise powers which are exclusively vested in the provincial government. One of these, to whom I recently suggested that a certain course of action was unconstitutional, made reply: "To hell with the Constitution!"

I apologize to you, Mr. Speaker.

In these days of social unrest, when people who are suffering are insistent on reform, and impatient of delay, those who believe that evolution is more effective than revolution—

I ask the right honourable gentleman (Right Hon. Mr. Meighen) to follow this.

—that evolution is more effective than revolution must again and again and persistently demand that municipal authorities assume their full responsibilities in municipal matters, provincial authorities assume their full responsibilities in provincial matters, and Dominion authorities their full responsibility in Dominion matters.

I think that is very clearly put.

Now, being a provincialist and speaking for a minority, I must not risk what our forefathers achieved for us. I therefore defend the work accomplished by Sir George Etienne Cartier, Sir John A. Macdonald and Hon. George Brown. Speaking more specifically for Quebec, I support the work of Sir George Etienne Cartier, and I do not care to see any unholy hands even touch the Ark of the Covenant.

Further, the Secretary of State said:

Until the British North America Act is amended by constitutional methods, no good purpose can be served by either the Dominion Parliament or the provincial legislatures attempting illegally to exercise powers now fully vested in the other or others of them.

The present Minister of Justice made this statement on July 18, 1924:

I do not think there is any doubt as to the jurisdiction of this Parliament in regard to Dominion labour. But there is more than a doubt in regard to our jurisdiction to apply the eight-hour day principle generally throughout the Dominion. I have not a doubt upon the subject; I am satisfied that the ruling of the Department of Justice is right in that respect, and that the provincial legislatures have jurisdiction in such matters; but I am just as sure that this Parliament has jurisdiction in regard to Dominion works, and if Parliament or the Government is in sympathy with the proposal of the eight-hour day as applicable to Dominion operations and Dominion works, there is no reason why this proposal should not be supported.

Right Hon. Mr. MEIGHEN: Who made that statement, please?

Hon. Mr. LEMIEUX: Hon. Mr. Guthrie, the Minister of Justice, when speaking on July 18, 1924, on an amendment moved by the member for Winnipeg North Centre, Mr. Woodsworth.

Hon. Mr. BALLANTYNE: Mr. Guthrie was not Minister of Justice in 1924.

Hon. Mr. LEMIEUX: No. He was sitting in opposition then, but he had the prestige of a former Minister of the Crown, for he had held office in the governments of

Sir Robert Borden and my right honourable friend opposite (Right Hon. Mr. Meighen). He was known as a man of great legal ability.

Right Hon. Mr. GRAHAM: He was big enough to be made Minister of Justice.

Hon. Mr. LEMIEUX: Yes. And I know that before long he may attain to a higher position, in which he may be required to interpret some of the laws he has helped to enact. I wish him well. We came into Parliament almost together—I four years before him—and I knew him in the other House during the intervening years. He came in as a Liberal, under the wing of that valiant warrior Sir William Mulock, but in the fateful days of 1917 he yielded to the blandishments and the—

Hon. Mr. LACASSE: Fascination.

Hon. Mr. LEMIEUX: —fascination of the other party. But in speaking to him one can suspect that he almost regrets the sins he has committed under the aegis of the right honourable gentleman (Right Hon. Mr. Meighen).

But here is greater authority, that of the right honourable gentleman himself. Speaking in 1924, he said:

> We have no right in the world to invade jurisdiction where provincial jurisdiction is clear, and do so under the guise of declaring this work or that for the general advantage of Canada. To do so would be the grossest abuse of the powers of this House, and I would not for one moment consider any such suggestion, no matter from what side of the House it emanated. This expresses my general idea of a most embarrassing question, and I give it, not in any spirit of criticism, but merely as my understanding of what the country is pledged to under the Geneva convention and as well of what we are pledged to keep away from under our obligations as a party to the contract of confederation.

Wise words, if ever wise words were spoken. I commend that language of the right honourable leader, because when he uttered it he was not saddled with the exigencies of political office. He spoke his mind freely, openly, sincerely and honestly. I do not mean that he does not speak honestly now. But the trouble with the right honourable gentleman is that he can say black is white on almost any question and give us the impression that he is equally sincere and honest—that his words must be accepted as gospel truths. I take issue with him now, for he is preaching a doctrine exactly opposite to that which he preached some years ago in my hearing, when I had the honour to preside over the other House.

I think the matter we are discussing here was made very clear by the right honourable leader on this side (Hon. Mr. Dandurand) yesterday. He explained that this draft convention was not binding on Canada. Surely all honourable senators, whether members of the legal profession or laymen—and I have almost as much confidence in lay minds as in legal minds—must agree that that argument was sound. Now, it was suggested yesterday that we should go ahead and pass legislation, and that if we are acting beyond our powers the courts will put us right in the course of time. Then why not, as I advocated the other day, submit the question of our constitutional powers to the Supreme Court of Canada now? I am ready to abide by the verdict of that court. If it is desired to take the question farther, go to the Privy Council. Should that be done, Labour, to whom a special appeal is being made by the proposed legislation, would understand that the Government was in earnest, that the desire was to enact real law and not a sham measure which afterwards might be destroyed by a court judgment. Surely the Government does not believe that the matter will be allowed to rest if the proposed legislation is passed. An attack will be made upon it, as was done in the Licence case, the Streams case and the Insurance case. Everywhere in Canada people who in former days heard the right honourable the Prime Minister, the right honourable the leader of this House, the honourable the Secretary of State, the honourable the Minister of Justice, and others, will still believe that such proposed legislation is not constitutional.

Why should I waste time in defining a draft convention? We all know that it is not a treaty. Notwithstanding what my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) said last night, there is no treaty in this case, for we are concerned only with a draft convention.

Hon. Mr. LYNCH-STAUNTON: But it grows out of the treaty.

Hon. Mr. LEMIEUX: The Treaty of Versailles directs us how to deal with these conventions. The honourable leader on this side (Hon. Mr. Dandurand) explained yesterday that draft conventions have nothing mandatory about them; they are sent as recommendations and we are free to accept or to reject them.

Further, let me say that I do not recognize any authority beyond the Canadian Parliament to deal with our Constitution. Any proposed changes must be treated by this

Parliament only after the views of the provincial legislatures have been ascertained, because at the time of Confederation there was a pact between the four provinces and the Dominion authority which they created. The provinces divested themselves of certain powers and conferred them on the Federal Parliament. Much as I respect the League of Nations, I say that none of its decisions or recommendations are to be binding on us until they have been approved by Parliament and, if they concern matters of purely provincial jurisdiction, by the legislatures. That is so with respect to the eight-hour day recommendation. As was said in another place by the Prime Minister, the Secretary of State, the Minister of Justice, and the right honourable leader of this House, it must be referred to the provinces. After all, they are a constituent part of Canada and we cannot ignore them. They were the makers of the Dominion; it was due to their collective will that the Parliament of Canada was created and a federal constitution enacted. I repeat that whatever power belongs to these legislatures should be adhered to, and we should not hesitate to refer to them all such matters as come within their purview.

I repeat that a draft convention is not a treaty, and the honourable senator from Hamilton (Hon. Mr. Lynch-Staunton) knows that. Some years ago I accepted the chair of International Law at Montreal University, and I took pains to explain to my students that neither a convention nor an armistice is a treaty. Either of these may precede a treaty, but if the draft of the convention or of the armistice is not accepted by the competent powers, then there is no treaty.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman permit a question? Does he contend that a convention which grows out of and is mentioned in a treaty is not a part of the treaty?

Hon. Mr. LEMIEUX: Well, not in the sense that the honourable gentleman thinks. As was pointed out last night by the honourable leader on this side, the Treaty of Versailles provides that the League of Nations may refer certain matters to a committee, such as the Labour Council at Geneva. If that committee passes on a question, a draft convention is sent to the nations interested, and they can either accept or reject it. But nobody is bound by it until it is adopted. If the theory that we are bound by a draft convention were right, what an insult it would have been to the League of Nations to leave this one in abeyance so long instead of giving immediate effect to it. But no, a draft convention is not a treaty; it is only a memorandum sent to the parties concerned, who can accept it or not, as they please. It is like a draft contract, which is submitted to private parties. If one party does not accept it, there is no contract.

Hon. Mr. LYNCH-STAUNTON: If a contract is made between two parties and contains a provision that something else shall be done if somebody else assents to it, is not that provision a part of the contract?

Hon. Mr. LEMIEUX: Well, that may be very ingenious, but it does not convince me. A bona fide contract must be accepted by both parties.

Hon. Mr. DANDURAND: And the terms suggested by the honourable senator are not the terms of the treaty.

Hon. Mr. LEMIEUX: No. A bona fide contract between nations, as between private persons, must be accepted by all the parties to it, or else it falls.

I cannot consent to the Dominion Government riding roughshod over the British North America Act. I want to be quite sure that we are effectually right before we make any changes or modifications, for, as I have already stated, our Constitution is the outcome of a series of compromises among the provinces at the time of Confederation. Take for instance the educational section, or the section dealing with the ten English counties in the province of Quebec which were specially assigned to the English-speaking minority. Would you deal lightly with those two sections without getting the consent of the provincial legislatures? And if you were to attempt to break faith with the English-speaking minority in Quebec would you not have almost a revolution? There are some counties in the Eastern Townships that you cannot rearrange for electoral purposes, that you cannot, so to speak, gerrymander, because Sir A. T. Galt, in the negotiations preceding Confederation, insisted on the provision contained in section 80 of the British North America Act. It reads:

> Provided that it shall not be lawful to present to the Lieutenant Governor of Quebec for assent any Bill for altering the limits of any of the electoral divisions or districts mentioned in the second schedule to this Act, unless the second and third readings of such Bill have been passed in the Legislative Assembly with the concurrence of the majority of the members representing all those electoral divisions or districts, and the assent shall not be given to such Bill unless an address has been presented by the Legislative Assembly to the Lieutenant Governor stating that it has been so passed.

And so, too, with respect to section 93, covering education. This section was intended primarily to protect the English-speaking minority in Quebec. Would you deal lightly with those sections? You may reply, "Those are safeguards, and they cannot be ignored." But you do not know what kind of government we may have to-morrow. I am astounded when I hear such able Conservatives as the right honourable leader of this House and the right honourable leader of the Government stating, "Now Canada is mistress of her destiny, and there need no longer be any regard paid to so-called provincial rights in the matter of social legislation." They do not use those very words, but I infer from the speeches they have made so far this session, contradictory of—

Hon. Mr. LYNCH-STAUNTON: Was not that independence brought about by the Liberals under the Statute of Westminster?

Hon. Mr. LEMIEUX: The Statute of Westminster is a different matter. I may say at once to my honourable friend that I am not greatly enamoured of that statute. I respect it. It is an enlargement of Canada's status. It has, for instance, given the Governor General of Canada a higher standing. He is no longer inspired by Downing Street.

Right Hon. Mr. MEIGHEN: He never was.

Hon. Mr. LEMIEUX: I do not wish to delve into our constitutional history at the moment, but a reference to it will show that on many occasions from Confederation down to enactment of the Statute of Westminster the Governor General received his inspiration from Downing Street.

Right Hon. Mr. MEIGHEN: He had no right to do so.

Hon. Mr. LEMIEUX: No, he had no right to do so, I agree. Now take for instance the question of the dissolution of Parliament. It is stated in all the treatises on the Canadian and the British Constitutions that the King or the Governor General has the exclusive right to dissolve Parliament—in theory, not in practice. We had a startling example to the contrary some years ago. Now, under the Statute of Westminster, added dignity has been given to the status of the Governor General. He is in fact the Viceroy of Canada, and his acts are guided no longer by the Home Government, but by the Canadian Ministry. Who will take offence at that? In saying, a moment ago, that I am not greatly enamoured of the Statute of Westminster—something that may not please my honourable leader and my honourable friend the ex-Minister of Justice—I meant that I do not care to see the Parliament of Canada amending our Constitution.

Hon. Mr. LYNCH-STAUNTON: Did the Government of the day get the consent of all the provinces to the Statute of Westminster?

Hon. Mr. LEMIEUX: I could not say, but no province has raised its voice against the statute.

Hon. Mr. DANDURAND: There was a conference here.

Right Hon. Mr. MEIGHEN: No consents were ever given.

Hon. Mr. LEMIEUX: I was about to say that I do not care to be a party to amending our Constitution.

Hon. Mr. LYNCH-STAUNTON: Hear, hear.

Hon. Mr. LEMIEUX: I fear my own frailty, and I fear also the frailty of others. For instance, I have a high regard for the ability of my old friend from Toronto (Hon. Mr. Hocken), but there are some matters on which we do not agree, and I would not let him alter the B.N.A. Act. As long as we have our respective jurisdictions defined in black and white, let us respect the statute—let us not trust to our passing prejudices and passions to amend it. I am a conservative to that extent.

Hon. Mr. LYNCH-STAUNTON: I think you are right.

Hon. Mr. LEMIEUX: Thank you. Some other honourable members may think so too, but I am glad to have at least the encomium of my honourable friend from Hamilton. I say you cannot alter some of those sections of the British North America Act, for instance, the educational section, section 93, and the ten-county section, section 80, without raising at once a great deal of trouble, perhaps a revolution.

And, if you amend the British North America Act, be certain that you are right. Let me give a familiar illustration. Detach a brick from a structure, and you create a weakness that eventually may bring about collapse of the whole edifice. Well, that is what I want to prevent if possible—any change in the British North America Act which would insidiously bring about its ultimate impairment.

My right honourable friend the Prime Minister, in his now famous radio addresses, stated that he nailed the flag of reform to his masthead. In my humble judgment there

is far greater urgency to bring about economic recovery. This would be encouraged by a sane trade policy, by a reduction in our high tariff, by a sound reciprocity treaty with the United States. I submit that when, last week, the Prime Minister went to New York to discuss openly with Mr. Cordell Hull the question of reciprocity he did a far more valuable service to Canada, to the masses whom he claims at present to be so desirous of helping, than he can possibly accomplish by this social legislation. Let him bring back some measure of prosperity to Canada. Then there would be contentment, there would be work for all at good wages, and there would not be the serious agitation that is now disturbing the country.

I was appalled when early this year I read the addresses by the presidents and managers of our great banks as they were delivered at the annual meetings of their shareholders. They dealt with the present economic conditions of Canada, and they recommended to our Government the most stringent economy and a policy of commercial expansion as a cure for the present ills of the body politic. They were afraid of the cost of this social legislation. The Government tells us that the proposed insurance against unemployment will cost Canada at least $7,000,000 a year and will entail the engagement of from four to five thousand additional civil servants, permanent or temporary. Where is the country going to get the money? Do not forget that our economic situation is very serious.

The other day a friend of the Government, a man whom I happen to know, as does my right honourable friend from Toronto, Mr. C. H. Carlisle, president of the Dominion Bank and of the Goodyear Tire and Rubber Company, addressed the Board of Trade Club of Toronto. I quote from the newspaper report of his speech:

> Canada, one of the richest and most intelligent countries in the world, had a debt of seven billions, one of the largest per capita debts in the world. Unless steps were taken to curb the ever-mounting total of federal, provincial and municipal debt, insolvency would inevitably follow, he declared. In this connection Mr. Carlisle pointed to the four western provinces and the financial assistance given them to prevent bankruptcy.
>
> "The grand total of seven billion dollars is more than the total of our farm and urban mortgage debt, our corporate debt, our bank loans and all our private loans and indebtedness put together," said Mr. Carlisle. "Interest charges alone cost you 320 millions annually, which is over one million dollars for every working day of the year."
>
> "If you have any doubts as to the seriousness of the problem," continued Mr. Carlisle, "remember that in 1933 a group of urban municipalities whose tax levy of 198 millions was two-thirds of the Canadian urban total, had, at the end of the year, uncollected taxes of over 100 millions, or 51 per cent of the total levy. That is where one group of your representatives are leading you."

I have quoted Mr. Carlisle's remarks because, as I say, I happen to know him personally. My right honourable friend knows that Mr. Carlisle is one of the most prominent citizens of Toronto—I might say of Canada.

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. LEMIEUX: The activities of the Goodyear Tire and Rubber Company are not confined to Ontario and Quebec; they extend throughout the whole Dominion. I am also impressed by his language because Mr. Carlisle is American-born. He has made Canada his home and is deeply interested in the future of his adopted country. When he speaks he speaks as a friend.

At the annual meeting of the Bank of Commerce last month the general manager, Mr. Logan, in the course of his address dealt with unemployment and world trade and quoted the Director of the International Labour Organization at Geneva, than whom, he said there is none so genuinely interested in the welfare of labour. This is the Director's opinion:

> Practically all the measures (for recovery) so far taken have been national measures. Whatever degree of success they may have achieved, the ultimate question remains whether these national units, however satisfactorily and efficiently reorganized to ensure the best internal production and distribution of their national wealth, can avoid being severally and collectively impoverished unless they can work out some comprehensive method of restoring the general economic life of the world from which they have all derived a large part of their past riches.

Sir John Aird also addressed the meeting. He, I think, is a friend of the Government. He said:

> If, however, this desire to unshackle trade, and thereby to widen the avenue of employment, is to be implemented, some positive measures should be taken, such as a general reduction in tariffs, as I suggested in 1933, accompanied by exchange stabilization (at least of a de facto character) and by the resumption of sound foreign lending.

There you have the general manager and the president of one of our greatest chartered banks advising the Government on what is the most urgent thing to do at the present time. It is not this legislation, passed in a moment of excitement when politics loom large on the horizon, and the cost of which will be so high as to cause the country to

hesitate about supporting the social reforms involved.

The other day my right honourable friend the leader of this Chamber admitted that the various social reforms proposed by the Government would cost money, but he said, as coolly as the executioner poising his axe in readiness to decapitate a criminal: "We shall get the money. It will come from those best able to pay." I wonder whether my right honourable friend realizes that when those social reforms have been in operation a very short time we shall have about 25 per cent of the population maintaining the other 75 per cent. If honourable members were residing in Montreal, as I am—and my right honourable friend knows the situation in Toronto is about the same—they would know that a comparatively few men are paying for the maintenance of the unemployed.

This eight-hour-day legislation will not benefit the unemployed. There is no work available for them. Let the Government create the demand for work. Let it not run away with the idea that the more it raises the tariff the sooner will the country become prosperous. A few of the favoured will get rich, but the masses will suffer. Let the Government begin by doing away with our economic ills. Let it be bold in that work, as I hope it will be when the reciprocity pact is under negotiation.

In what I have said I have been animated by good faith and by a patriotic desire to see the British North America Act maintained unimpaired. In conclusion, I ask the right honourable gentleman to devote all his ability to preserving it, and not to treat it as an elastic Constitution. Those who framed the British North America Act had regard to the susceptibilities and the honest prejudices of the various groups in the different provinces; and, I repeat, if you take out a brick the whole edifice may eventually collapse.

Hon. H. C. HOCKEN: Honourable members, I hesitate to reply in a few sentences to the Demosthenes of Parliament, but I think he has the wrong view on this question. Like him, I have been a stickler for the preservation of the Constitution, but I am firmly convinced that if the Fathers of Confederation were here to-day, or could give us their views in the present crisis, they would not hesitate to interfere with provincial rights so far as they are concerned with this piece of social legislation.

What Parliament is trying to do, as I understand it, is to pass a law for the improvement of the conditions of the working people in this country. That law cannot be passed by one province alone; to be effective it must be a federal matter; and, knowing the logical mind of my French Canadian friends from the province of Quebec, I find it difficult to believe that they will feel that they are suffering any deprivation by reason of the Constitution being interpreted in the way that is proposed. If there were anything in this to interfere with the cherished rights of the minority, conditions would be quite different. But there is not. What it is proposed to interfere with is the right of a province to say that the Dominion shall not pass an Act covering the whole country, for the amelioration of the conditions of the working people of Canada.

I think my honourable friend has gone a little too far in adhering to the Constitution so rigidly as to oppose a general minimum wage law and a general eight-hour-day law. I cannot believe, honourable gentlemen, that the people of this country want us to be splitting hairs on a constitutional point of this kind when there is something offered which gives promise of much better conditions than those under which we are living to-day. So I would advise my honourable friend, for whom I have a great admiration, not to press this point of provincial rights in respect to social legislation at this time. We are to-day in a crisis as great as, or greater than, the one confronting Canada at Confederation. We cannot go along in this way. We must make new laws and pass new measures to reform our economic and industrial system in such a way as to provide for the workers better conditions than they now have.

If we followed the advice of my honourable friend (Hon. Mr. Lemieux) we should leave it open to one province to pass an Act of one kind while another province passed an Act of another kind, and thus industry would be placed on a competitive basis within the Dominion. Surely that is not wise. Surely that is not what my honourable friend would like. Nevertheless, that is what would result, and such Acts could not work out satisfactorily to anyone. It is bad enough for us, with an eight-hour day and a minimum wage, to be in competition with the whole world, but to have the provinces of this country enacting different kinds of legislation on the question would, to my mind, be an absurdity.

I have no desire, and never did have any, that the Constitution should be amended to the detriment of the minority of this country. I do not think this legislation can be regarded as having any such effect. What the people of Canada want is action. They

do not want us to be splitting hairs on a constitutional question. They want some action that will assure to them better conditions of labour and a better chance to earn a livelihood for themselves and their families; and those are the things which are contemplated and which, I think, will be effected to a very high degree.

I am unable to believe that our friends the working men of Quebec would agree to the blocking of this legislation by an insistence upon the letter of the bond of Confederation. Surely the British North America Act is not like the laws of the Medes and Persians. Conditions in this country have changed, must change, and will change. If we preserve to the minorities the things they cherish most, are we not keeping our contract? Are we not honouring our bond? If we vary it to the extent of passing a law which will be of benefit to all the people, regardless of minorities, majorities, or anything of that sort, surely everyone will be satisfied; and I do not think our friends in the province of Quebec would approve of any action that would prevent this legislation from going through. As a matter of fact, the Government is committed to it, and I do not think the people can be aroused by any appeal on a constitutional issue of this kind. I think we have got past that stage, honourable gentlemen.

Right Hon. ARTHUR MEIGHEN: Honourable members—

Hon. Mr. DANDURAND: Am I to take it that the right honourable gentleman is closing the debate?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: Then I suppose there are no other speakers. I just want to draw the attention of honourable members of the Senate to that fact.

Right Hon. Mr. MEIGHEN: The debate on this resolution might reasonably revolve around two features, the merits of the resolution itself, and the competence of Parliament to enact legislation contemplated by it.

As to the first feature, until a few moments ago I had thought there was no cause for serious discussion. The merits of the resolution, aside from the competence of Parliament, seemed to be universally acknowledged. But the honourable senator from Rougemont (Hon. Mr. Lemieux), after making a speech which brought back to my mind the delights of long ago—a speech which I am gratified to know he is able to make in this later time—concluded with some animadversions which seemed to me to disclose an innate hostility to the resolution itself and to the state of social law which will result if legislation follows thereon. While I do not at all doubt the sincerity of his opposition to Parliament's assuming power to pass that law, I fear that his constitutional difficulties are somewhat of a curtain to cover his opposition to the law itself.

I am not one of those who feel that we should casually, cheerfully and lightly plunge into this social legislation, aside from its constitutional features. The step we are taking is undoubtedly a serious one.

Hon. Mr. LEMIEUX: Hear, hear.

Right Hon. Mr. MEIGHEN: At the same time I am convinced, and have been for some years, as evidenced by speeches made in this House, that it is a necessary step, forced upon us by an age of mechanization and the depressed state of vast masses of our people—a condition common to virtually all the world.

The honourable member says: "Do not bring upon us the new debt that will necessarily be incident to the creation of the organization to put this law in effect. Do not add that to our hardships. The proposed law is no good anyway for the man who is out of work. Go to it and cure our economic ills. Give our people work. That is what will help our country." It is easy to say, "Cure our economic ills;" but it is inconsistent, and I think absurd, to say that and then stand in the road of a cure as soon as it is offered—to be general in your demand for Elysium in the near future, but to offer no means at all of reaching that happy state.

The honourable member says that what is proposed will not make work for anybody, but if a man who now works for twelve hours will work for only eight after the Bill is passed, will there not be a half-day's work left for another man? How is work to be secured for the idle twenty per cent of our people except by a reduction of hours of labour of the eighty per cent who are now employed? The difficulty in the way is that if one country takes this step ahead of another, that other country has an advantage in competing in world markets. This, to my mind, is the difficulty, and this alone.

Canada's duty at this time is to take her place in the march of nations towards securing a social necessity. Canada has been slow to take the step; other countries have been slower still. Even Britain has not acceded to this convention, and there are other countries, parts of the Empire, which have not done so. I admit that we are taking a

courageous, possibly a bold, step in walking ahead of them; but if by our so doing they are encouraged or induced to join the general march toward lower hours of labour and a shorter working week, surely we shall be helping toward employment of the many who are to-day in the throes of distress resulting from idleness. I have no more to say on the merits of the resolution itself. I do not want to invite any opposition whatever, even though it might be of political advantage to do so.

I know that the main difficulties surrounding the question are constitutional. They are legal, and to honourable senators not trained in the legal profession they may not be of much interest and are perhaps difficult to understand. Nevertheless, they are capable of being understood by any honourable member of this House. They involve no legal question beyond the comprehension of any member.

With the assistance of honourable senators who have preceded me, I am going to address myself to the task of making plain this constitutional path. I approach it with a full knowledge that it is difficult; that it is strewn with decisions, some of them apparently conflicting; that it is clouded with doubts that never should have existed; that shadows have been cast across it—some of them unnecessarily, and in this debate—that never should have been cast. So I commence by seeking to remove encumbrances that litter our path.

The honourable senator from Rougemont (Hon. Mr. Lemieux) is very fearful that the compact of Confederation is to be broken, the rights of minorities to be impinged upon, and generally that we are going to play fast and loose with the terms of our Constitution and the solemn compact it embodies. I want to assure the honourable gentleman that there is no thought farther from the mind of the Government, and there is no possibility of a precedent being created which could ever be used for the purpose of invading those rights and sacred privileges he seeks to protect. He says there are rights of race, of language, of religion and of education upon which the Fathers of Confederation compromised and agreed, and that the compromise is now embodied in the British North America Act. He says that if you seek to do what is proposed in the present instance under the guise of treaty-making you set a precedent under which rights as between races, and minority rights in respect of religion and education, may some day also be impaired.

There is no reason for any such apprehension. Is it conceivable that rights of the minority of Quebec, or rights of the minority of Ontario, should ever be made the subject of a treaty between Canada and other nations? What have other nations to do with these matters? How are they concerned in them at all? These rights are not proper subjects for negotiation between nations, and they could not come within the four corners of any treaty with other powers.

A similar problem has been under discussion in the United States. There is in the Constitution of that country a clause which says that the United States of America may make a treaty, and that this treaty, having been sanctioned by the Senate of the United States, becomes the supreme law of the land. But the courts of that country have held that such matters as the constitution of a state or the constitution of the country are essentially domestic matters, and cannot be brought under the treaty-making power. Only matters which are fit and proper subjects of treaty-making negotiations between the United States and other powers can be brought under the treaty-making power.

So my honourable friend's fears in this very important regard are entirely without foundation.

Another encumbrance—for I consider it no more than that—which I would like to remove is this. We are told: "You are inconsistent. You, Mr. Meighen, were the head of a Government which in 1920 accepted an Order in Council recommended by your Minister of Justice, declaring that we in Canada were not under obligation to do more than pass on a convention to the heads of our provinces. Now you say we ought to do more than that. You also were in the House of Commons when it was determined to send this question to the Supreme Court of Canada and ask that court whether, with respect to this draft convention, we were under obligation to do more than submit it to the heads of the provinces in this country. The Supreme Court answered that that was the only obligation resting upon the Federal Government." The honourable leader opposite (Hon. Mr. Dandurand) faces me with these two authorities, the Supreme Court of Canada and myself. I have the highest regard for the eminence of both authorities, but I am not going to allow my freedom of thought and determination to be impeded, at this time or any other time, even by them. Assuming that the Supreme Court and I were right, that Parliament at that time was right, and that the succeeding Prime Minister was right, the stand taken to-day is not in the faintest degree inconsistent with that taken in the past. We are still right to-day, even if we were right then. But I do not want the House to

understand that after the much fuller consideration I have been able to give this matter in the meantime, and especially in the light of great intervening decisions which have come to us, I am now of the same opinion as in 1920. Frankly I want to state that I am not. There is no reversal of opinion necessary to justify the course we are taking now. It is quite consistent with the opinion prevailing then. I do not believe I was right in 1920, nor do I believe—and I say it with all diffidence and all respect—that the Supreme Court was right in 1925; but I intend to assume throughout virtually the entire discussion that we both were right. Ordinarily and historically matters concerning hours of labour have been considered as within provincial jurisdiction. That ordinarily and primarily they are within that jurisdiction I do not think there is a question even yet; but with the contention that in all respects and from all angles they are within it I am in direct disagreement.

Now let us look at what happened. At the Conference of Paris, which resulted in the Treaty of Versailles, certain agreements were concluded on the part of the allied and associated powers, of which the British Empire was one, France another, and so on. Among these agreements, which are binding on all parties who were signatory thereto, there was one to create a League of Nations, and the Covenant of the League formed the first article of the Treaty of Versailles. In that Covenant of the League these allied and associated powers, including the British Empire, made this declaration:

> Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the members of the League will endeavour to secure and maintain fair and humane conditions of labour for men, women and children, both in their own countries and in all countries to which their commercial and industrial relations extend.

As I say, this is part of the Covenant of the League. The British Empire is a party to the Treaty of Versailles. To the Covenant of the League the parties are the members of the British Empire and various other nations. Canada is a member of the League of Nations; so is Australia, and so is Great Britain. But it was the British Empire which signed the Treaty of Versailles, and the covenants of that treaty are binding upon it.

Hon. Mr. LEMIEUX: Will my right honourable friend permit a question? When the Right Hon. Mr. Doherty and the Hon. Mr. Sifton signed in Paris in 1918, did they sign as representatives of the Dominion of Canada or as members of the British Empire?

Right Hon. Mr. MEIGHEN: They signed as representatives of the Dominion of Canada. Others signed as representatives of the other parts of the Empire, and the treaty became binding on the Empire. The honourable gentleman will find that clearly established in the judgment of Lord Sankey in the aviation case. Among the provisions of the treaty was one that the Supreme Council would draft a convention on aviation for signature by all who would subscribe thereto, parties to the treaty; and the conclusion is definitely stated by Lord Sankey that the Treaty of Versailles is binding on the British Empire. It becomes a treaty binding on the British Empire because all British countries authorized execution on behalf of the Empire. Individually we are members of the League of Nations, we take our part independently there; but the covenants of the Treaty of Versailles bind the British Empire, and of course bind Canada as a part thereof.

Now I come to Part XIII of the Treaty of Versailles, which has to do with labour. It consists of forty articles, and is prefaced by a preamble which reads:

> 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 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 employment, 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;
>
> Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries;
>
> The high contracting parties, moved by sentiments of justice and humanity, as well as by the desire to secure the permanent peace of the world, agree to the following.

There the British Empire agreed, and Canada was a full party to its decision, that social injustices, the first named of which were too long hours of labour, were such as to imperil the contentment of masses of

people and world peace. Such was in 1919 the stature of the problem now dealt with by this resolution that it involved even the highest of known subjects, the peace of the world.

Then the Treaty of Versailles goes on to say, in articles 387 to about 410, just how these objectives are to be attained. Machinery is to be provided by way of an International Labour Organization, and definite rights are given to members of the League of Nations as constituent parts of that Labour Organization. It is provided in article 405 that recommendations or conventions may be drawn up, passed by two-thirds of a labour conference, and submitted by the members represented at that conference to the authorities competent to deal with those conventions, in their respective countries; then, if adopted by them, notification is to be made to the League of Nations, and the pact is completed.

I shall deal no further with the contents of the Treaty of Versailles at this moment, but shall now seek to relate what has taken place in this Dominion. The Department of Justice set to work to decide just what had to be done in respect of a convention which was arrived at in Washington a few months after the Treaty of Versailles was signed, and in the same year. The treaty contained a provision that the first conference of the International Labour Organization should be held at Washington, and that the first subject to be dealt with, as specified in an annex, should be that of hours of labour. The treaty had set out that all nations ought to get together to attain the great goal of an eight-hour day and a forty-eight-hour week. At this conference in Washington a draft convention was framed and passed. Under the provisions of article 405, to which I have just referred, it had to be turned over by the constituent members of the Labour Organization to those authorities competent to deal with it in their respective countries. At the moment I am not going to debate what in Canada is the authority competent to deal with the convention. Later I shall argue that that authority is the Dominion Parliament, but just now I wish to say only that the draft convention came to us from the Washington conference, and it then became the duty of the Federal Government to submit it to the authority or authorities competent to deal with it in our country. The Justice Department submitted a memorandum to the effect that inasmuch as hours of labour were provincial matters the authorities competent to deal with the convention were the provincial authorities—

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN:—and that our only obligation was to pass on this draft convention to the provincial authorities. This view was accepted by the Government of the day, of which I was the head. The convention was passed on to the Lieutenant Governors of our provinces, and it has lain in the pockets of those Lieutenant Governors ever since.

The next event occurred in 1925, when the Government of Mr. Mackenzie King referred to the Supreme Court of Canada a series of questions. I am sorry the questions were drafted in that particular form. I was a member of the House of Commons, and if I was not favourable to the form of the questions then submitted to us, as I presume they were, I should of course have said so.

The first question took this form: when this draft convention, made at Washington pursuant to the Treaty of Versailles, came into the hands of our Government, what obligation was it under with respect thereto? The Supreme Court answered: it was under obligation only to send it to the authorities competent to deal with the matters therein contained.

The next question was: if those matters are provincial, to what extent are they provincial? The Court answered: they are provincial except as to the employees on Dominion public works and as to territories of Canada not within the boundaries of the provinces. In brief, the Supreme Court said: "You are not under obligation to do more than submit the convention to the provincial authorities, except in respect to your public works and your territories."

Now, I ask the House to note the Supreme Court answered, "That is the only obligation you are under." The Supreme Court was never asked whether under any circumstances the provinces of Canada could deal with the matter. That, I think, it should have been asked. It was not, and therefore that question was never dealt with.

Hon. Mr. DANDURAND: Only the question of jurisdiction was submitted to the Supreme Court.

Right Hon. Mr. MEIGHEN: No; the question of jurisdiction in its fullest or useful sense was not put at all. The only question put was, what is the obligation? The Supreme Court said, "The obligation is to

pass the convention on to the authorities." The fair inference from its findings is that the competent authorities are provincial. So in effect the Supreme Court said, "Pass it on to the authorities, and, having done that, you do not have to do anything more."

Hon. Mr. MURDOCK: Is the right honourable gentleman going to deal with section 132 of the British North America Act?

Right Hon. Mr. MEIGHEN: I am certainly coming to that.

Assume the Supreme Court was right. I assume we were right in 1920 and that the Government of Mr. Mackenzie King was right in 1925, and I am going to argue whether we have power to pass this resolution and introduce legislation to give it effect.

I take the first ground in respect of section 91, the trade and commerce provision. My second ground will be under section 132, just mentioned by the honourable senator from Parkdale. Involved in the latter will be the powers, general and residuary, stated as belonging to the Dominion, in the first part of section 91.

Hon. Mr. DANDURAND: They do not invade exclusive privileges.

Right Hon. Mr. MEIGHEN: I am not arguing it yet; I am only giving the headings under which I purpose to argue this question.

First, I believe there is power under the trade and commerce part of section 91. The section gives the Dominion jurisdiction over trade and commerce (paragraph 2), postal service (paragraph 5), and so on.

Now, I know that commencing in 1881 with the Citizens' Insurance case mentioned by my honourable friend from Rougemont (Hon. Mr. Lemieux), the Privy Council for nearly forty years decided every question in respect of trade and commerce in favour of the provinces. But in those years the question decided was not whether the Dominion might properly have legislated in a general way on matters of trade and commerce. It was always specifically a question whether a province was within its rights in legislating on some matter affecting trade and commerce. Counsel for the Dominion argued: "Why, no, the provinces were not within their rights; trade and commerce is within our jurisdiction." But the Privy Council said: "They are quite within their rights. They are dealing with civil rights, with something local and private; therefore it comes within paragraph 13 or 16 of section 92."

Then two cases of another character came before the Privy Council. These involved the power of the Dominion in respect of trade and commerce. Again, I admit, both cases were decided against the Dominion. One was the Board of Commerce case; the other was the Insurance case. In both cases the Dominion had sought to deal with particular trades, and not with all trades alike in a Canadian-wide rather than in a parochial fashion. Never yet has a case come before the Privy Council of the Empire in which the Dominion's right was challenged where the Dominion had dealt with trade and commerce in a general Canadian-wide form.

The words "trade and commerce" in paragraph 2 of section 91 mean either something or nothing. I affirm that the inference to be drawn from every judgment of the Privy Council is that if the Dominion Parliament seeks to legislate on trade and commerce in a Canadian-wide fashion it is within its power. In the very case so much in evidence here, that of aviation, Lord Sankey said, "Take the trade and commerce provisions of section 91, and even there you have virtually everything that the Dominion of Canada has sought to do under its aviation law." Lord Sankey could not say that as respects the aviation law if he could not also say it with respect to a general law affecting hours of labour, and therefore affecting trade and commerce as a whole. Treated in the spirit of that language, it is a Dominion power.

Trade and commerce is, I submit, treated in the spirit of that language in the most general way in the world by the legislation contemplated by this resolution. This resolution deals with hours of labour. Nothing more generally affects trade and commerce than hours of labour. Nothing could be more general in its effect on trade and commerce than a general cut in the hours of labour in Canada. Consequently I say it is within our power under that provision, and if we deal with it as we propose to do here, we can run the gauntlet of the Privy Council.

But now I come to a section of the argument in which we are less encumbered by decisions of the past, in respect of which indeed I can find no decision that blocks our way at all. And I assume that honourable gentlemen are desirous not of seeing the way blocked, but of finding a passage through. I assume also that honourable gentlemen are agreed that when we said there was a tremendous reform to be achieved, and to that end signed the Treaty of Versailles, we meant what we said. We want to find a passage through if we can, and do not feel happy when obstructions are placed in our path.

I come, then, to what seems to me a clear road through the difficulty—a road which is neither encumbered nor clouded by any decision in all the jurisprudence of this country. Section 132 of the British North America Act, which honourable gentlemen will note is a long way from sections 91 and 92, is even geographically distant from them, says that the Dominion shall have power to perform the obligations of Canada under any treaty of the British Empire, and to perform any obligation that may be binding on any province under any treaty, the provinces having previously been self-governing colonies. The power to effect the performance of any Empire treaty, in so far as Canada was concerned, was thus vested in the Parliament of Canada. Possibly the British Government in 1867 might have retained that power to carry out treaties, which it alone at that time could make. But section 132 provides rather —probably at the instance of representatives of our country—that the performance should be binding upon us. It always was binding upon us, no matter how it was to be performed; but the performance of it should rest with us.

Hon. Mr. LEMIEUX: The right honourable gentleman will pardon me if I interrupt him. Does he contend that Canada can legislate for the Empire?

Right Hon. Mr. MEIGHEN: Oh, no. The honourable gentleman has not followed me. I am now dealing with section 132 of the British North America Act, which gives the Parliament of Canada power to see to the performance, so far as it concerns Canada, of any obligation resting on the Empire. Whether hitherto it had been a provincial obligation or not, the responsibility for its performance thereafter was to be the Dominion's responsibility. The honourable gentleman follows me, I know. In so far as there was an Empire obligation affecting Canada, the Dominion was charged with carrying it out as respects the Dominion, and there was no charge on any province at all, even though the province up to that time had been a party charged with the performance of the obligation.

Now I come to the point, how does this help us in the present instance. At this stage it does not help us at all if we assume the Supreme Court was right in 1925 and that our only obligation was to pass this draft convention on to the Lieutenant Governors of our provinces. But there can be another stage, and that stage will be reached just as soon as this resolution is passed and ratification becomes complete. Once there is a complete ratification of the subconvention, then it becomes a treaty and the obligation is upon us. It is a treaty arising out of an Empire obligation made under the Treaty of Versailles.

The language used in section 132 is that Canada is charged with the performance of any obligation arising out of a treaty to which the Empire is a party. The Empire is a party to the Treaty of Versailles This subconvention arises out of it, and by virtue of the treaty and of our ratification of the subconvention the Parliament of Canada is under 132 charged with the carrying out of the obligations there assumed.

Let me repeat. As soon as we approve of the subconvention submitted to us, then that subconvention becomes a treaty and we are bound to carry it through. That treaty arises out of the Treaty of Versailles, to which the Empire is a party, and under section 132 not only are we empowered to carry it out, but we are charged with the responsibility, the obligation that we took upon ourselves to carry it out. I ask honourable members if it could very well have been otherwise. Do honourable members really and sincerely suggest—leaving the Empire aside, now that Canada has reached the stature of nationhood —that obligations that rest on Canada as a whole, to carry out what we bind ourselves to do, should be left to the individual eccentricities and the different and conflicting opinions of nine provinces? Or do they suggest that hereafter, though we are a nation, we cannot enter into an obligation with respect to something that ordinarily is a provincial prerogative? If that is the case, we are not a nation at all; we are an underprivileged defective in the family of nations, we are a people without the essence of nationhood in our blood. Unless we are able to make treaties on all matters which are properly the subject of treaty-making with other powers, what is the use of our boasting that we are a nation?

That brings me to another point. If you assume that we cannot come under section 132 at all, it really does not matter in the least, as was disclosed and made abundantly clear in the radio case. In the radio case the British Empire had made no treaty. Radio is not covered by the Treaty of Versailles. There is no Empire engagement that is the base of our conduct in that respect. What is its base? It is the treaty made by Canada on its own responsibility as a nation. If it had been made because of obligations binding on the Empire as an empire, then we should have had to carry it out under section 132; but it was not, and therefore the provinces

took it to the Privy Council. They said: "The aviation case does not apply. The aviation case should come under section 132, because it arose out of an Empire treaty, but this radio matter arises, not out of an Empire treaty at all, but out of a treaty made by Canada with eighteen other powers. Therefore the Dominion authorities cannot assert their rights under section 132." The Privy Council said: "Yes, that is quite true. They cannot assert their rights under section 132."

Then counsel for the provinces said: "All they can legislate on are just such matters, picked out of that treaty, as ordinarily are under Dominion jurisdiction. As to the rest they cannot legislate at all. If they have made a treaty they cannot carry it through; it is completely worthless, and a joke, because of the Constitution of our country." Such was the argument of counsel for the provinces. He said: "The Dominion authorities can legislate only with respect to those features that come under section 91. If they want legislation with respect to those under section 92 they have to ask the provinces if they will be good enough to pass."

But the Privy Council said: "No. You are wrong. True, they cannot come under section 132, because there is no antecedent Empire treaty; but they are in exactly the same position as if they came under section 132." Such were the words of Lord Dunedin. He said, "Here is something never thought of or enumerated in a treaty before; here is something new in the world. In many respects it is of a local and private nature, and therefore, ordinarily, would be under provincial jurisdiction. But," he said, "the Dominion as a nation has made a treaty about it, and it is incident to the powers of a nation to be able to carry out a treaty it makes if the subjects of the treaty may normally and properly be dealt with by negotiation with other powers." The conclusion to be drawn from that is that if section 132 had never existed we should have been in just the same position. Through all these seventy years we should have had power to deal with things Canadian when it was our obligation so to do under the terms of a treaty we had made. So he said: "Though there are certain features of this Radio Bill that I believe are matters of a local and private nature, and civil rights, nevertheless, inasmuch as they are incidental to the carrying out of the obligation made by treaty, and inasmuch, also, as they are necessarily incidental to the exercise of the powers declared in section 91, they are within Dominion jurisdiction."

And now I come to the second feature of this ground, which seems to me utterly impregnable and unassailable. It is this. In the very opening of section 91 it is stated that the Dominion shall have jurisdiction to deal with, and to pass laws for, the peace, order and good government of Canada, a long as those laws do not trench upon matters specifically mentioned in section 92. The residuary or general power is in the Dominion. It cannot be used to invade the provisions of section 92, but as long as it is not used for that purpose the Dominion can legislate with respect to anything not specifically mentioned there. He held as well that the Dominion could legislate with respect to anything, even though specifically mentioned in section 92, if it were a matter of general, Dominion-wide interest that was of such stature as to affect the body politic of this Dominion.

In this connection I want to read the four propositions evolved from the long record of cases that went to the Privy Council up to 1931. These were put in very concrete form by Lord Sankey in his judgment in the aviation case. They are very concise and throw a very welcome illumination over the whole matter of the interpretation of powers under the British North America Act. I think the third proposition should be the second, and the second the third, and I am going to read them in that order, although they do not so appear.

1. The legislation of the Parliament of the Dominion, so long as it strictly relates to subjects of legislation expressly enumerated in section 91, is of paramount authority, even though it trenches upon matters assigned to the provincial legislatures by section 92.

That is to say, if it is something specifically mentioned in section 91 as belonging to us, we can legislate upon it even though we necessarily entrench upon something exclusively assigned to the provinces.

Now, the next:

It is within the competence of the Dominion Parliament to provide for matters which though otherwise within the legislative competence of the provincial legislature, are necessarily incidental to effective legislation by the Parliament of the Dominion upon a subject of legislation expressly enumerated in section 91.

That is to say that if we are legislating with respect to a subject specified in section 91, which enumerates our powers, we can include in the legislation anything necessarily incidental to giving effect to it. Let me review these two points. When we are legislating on subjects referred to in section 91 we can entrench upon matters listed in section 92, over which the provinces have exclusive jurisdiction, so long as what we do is necessary for carrying into effect our laws

with regard to the subjects stated in section 91. And, secondly, in legislating on matters covered by section 91 we can bring in other matters ancillary or necessarily incidental to them; because wherever the end is declared justifiable, the means are implied.

Now I come to the third proposition, which is perhaps of the greatest consequence. This, like the previous one, was cited by the honourable senator from Parkdale (Hon. Mr. Murdock). It reads:

> The general power of legislation conferred upon the Parliament of the Dominion by section 91 of the Act in supplement of the power to legislate upon the subjects expressly enumerated must be strictly confined to such matters as are unquestionably of national interest and importance, and must not trench on any of the subjects enumerated in section 92, as within the scope of provincial legislation, unless these matters have attained such dimensions as to affect the body politic of the Dominion.

This interpretation was not new in 1931. These four propositions have evolved from a long series of findings over forty years. They are interpretations deemed essential in order that the great purposes of the pact of Confederation might be kept in view in the light of advancing and expanding circumstances and conditions. Under the third proposition which I read, though a subject may come within the exclusively provincial purview of section 92, if it has attained such consequence and stature as to affect the body politic of the Dominion, then the Federal Parliament has power to legislate upon it.

Now I ask honourable members to reflect upon this question. Does that third proposition apply in the present instance or does it not? Has this matter of hours of labour reached such a stature that it affects the body politic of the Dominion? Regardless of whether I am wrong as to trade and commerce, and as to other points, does the matter come within that proposition? Is it of such consequence, or is it a local and private matter, affecting perhaps civil rights and nothing more? It is fifteen years since we became a party to the Treaty of Versailles and declared that this question of hours of labour was of such magnitude as to throw the world into unrest and imperil international peace. What is the importance of that subject to-day? Are we to go before the Privy Council and say that even though we signed that solemn Treaty of Versailles we are afraid to legislate upon this matter of hours of labour because it is of merely private and local character and has not attained such a stature that under the findings of the Privy Council we can deal with it as a matter for the Dominion? Surely we cannot take that position.

Most infallibly, under the determination of Lord Sankey in 1931, approved by Lord Dunedin in 1932, even though we assume we are wrong in respect to trade and commerce, even though we assume that the Supreme Court was right in 1925 and I was right in 1920, and even though we assume that because there is no antecedent Empire treaty we cannot come in under section 132, we still have power under the general and residuary clauses of section 91. Although it may trench upon provincial jurisdiction, we may still legislate, because the matter, having reached the magnitude of Canadian interest and Canadian importance, must be determined by the Canadian people. You are bound all the more to come to that conclusion because we have already said for a decade and a half that the matter was not only national, it was international and of so great consequence that unless early dealt with it would imperil the peace of the world.

This is the position we are in. Under the trade and commerce provision I claim we have the power. Not with more confidence, but because we are impeded by no decisions of the past, I claim that we undoubtedly have the power under section 132, especially as that section is interpreted in the radio case. There it was held we had all the powers incident to nationhood, and therefore the power to enforce our treaties, and that those powers were ours even had there been no antecedent Empire treaty behind as a background for our action.

Before I close I should like to discuss the question that I introduced early in this address, whether we have been right all along in our conclusion that, so far as our obligations went, we had only to refer this matter to the Lieutenant Governors of the provinces. I think I have shown that immediately we pass this resolution and ratify this subconvention we bring upon ourselves more obligations. But I do not think we were right in that conclusion. Let honourable members reflect where we should be if that were the case. The League of Nations says to us: "You signed the Treaty of Versailles. You declared this matter was vital and pressing for the solution of the social unrest of the world and the fortification of the world against war, and now you tell us that though you believed that was essential, all you have to do is just to pass on this subconvention to the Lieutenant Governors of your provinces. Then you come to us and say, 'We have done

everything we have to do. We received the subconvention into our hands, we mailed it to the Lieutenant Governors, we paid the postage, and that ends all our duties. We are done.'" Would honourable members like their country to be placed in that position?

Hon. Mr. DANDURAND: But has not Canada done more in the execution of the obligation than Great Britain herself?

Right Hon. Mr. MEIGHEN: Perhaps so. I am not saying there is not some obligation on Britain. I believe there is. I certainly could not stand up in the British Parliament and defend the dilatoriness with which this matter has been treated there. But I am not the custodian of Britain's duties. I am the custodian, in part, of Canada's duties, and I am proud that Canada is going to lead the way in the vindication of her position and the redemption of her pledges. I shall not be ashamed if I find myself confronted with the decision I came to years ago, after less deliberation than I have taken to come to this decision to-day.

Let honourable members not think I am in conflict with what I stated on another phase in 1924. The honourable member from Rougemont quoted me as having said at that time, "You must not use one power in order to bring another power under your prerogative." I said that you could not, and you should not, pass a law declaring a work to be for the general advantage of Canada just to obtain jurisdiction over it. I have said in this House repeatedly, and also in the other House, that you must not make something a subject of criminal legislation just to get jurisdiction over it. That conduct is unworthy of any country. When we in this Parliament sought to get jurisdiction over insurance by declaring any violation of our law to be a criminal offence, the Privy Council rightly answered: "No, we will not permit you to adopt any subterfuge, any circuities or any angularities in order to invade the sacred provisions of the British North America Act. This contemplated violation of your law is not essentially criminal. You are making it criminal only in order to bring to yourselves jurisdiction. We say you nay." Similarly, if we declared something to be for the general advantage of Canada merely for the obvious purpose of invading the jurisdiction of the provinces, the Privy Council would again say nay to us. That is what I declared in 1925. We will not do that. And if we ever go a step further and, in the guise of our treaty-making power, make some arrangement, say with Austria, under which we would take away the language rights of the province of Quebec, the Privy Council will tell us, "You are making this a treaty obligation only in order to assume a power that you do not possess, and we will not let you do it." They will answer us in that matter in just the same way as they did in respect of our alleged criminal legislation in 1923. They will answer us in just the same way that I said I should answer, when I made the speech to which the honourable member has referred. They will see to it that we have regard to our real rights under the Act. They always have done so, and always will.

Now I ask honourable members for permission to adjourn the debate until we meet again to-morrow, when I shall discuss one question, and one only, namely, whether we have been right in dealing with this subject as we have done. Maybe it would have been better to invite the provinces to act, to give them at least a reasonable time, and be patient. But I am going to argue, and I shall do so with great confidence, that this country never had the right to look to the provinces at all with respect to any matter involving the discharge of a treaty obligation; and that under article 405 we never were expected to do so. Under the provisions of that article the authorities to whom we should have submitted that subconvention were the authorities competent to deal with it. That is exactly what the language calls for. Does anybody for a moment suggest that the authorities competent to deal with the subconvention submitted to Canada are the provincial authorities? They may be competent to deal with matters dealt with in the subconvention, but obviously, manifestly and finally, they are not the authorities competent to deal with and approve of the subconvention itself. This, article 405 says, is to be submitted to "the authority or authorities within whose competence the matter lies"; and, if those authorities approve, the Secretary-General is to be informed.

Hon. Mr. DANDURAND: In a federal state—

Right Hon. Mr. MEIGHEN: In a federal state, certainly. In this federal state who are the authorities competent to deal with a subconvention? Can Ontario do it? It cannot. It cannot approve of it; it cannot do anything with it. Can Quebec?

Hon. Mr. DANDURAND: No, but it can legislate.

Right Hon. Mr. MEIGHEN: I know, but that is not dealing with the subconvention. We have to say yes or no to that subconvention. Who are the authorities in this country?

Hon. Mr. DANDURAND: Article 405—

Right Hon. Mr. MEIGHEN: We are going to finish this now.

Hon. Mr. DANDURAND: Yes. I am simply indicating the fact that there is mention of a federal state where there are some limitations.

Right Hon. Mr. MEIGHEN: The honourable gentleman has compelled me to finish this question. I hope I shall be pardoned. I will read section 405. It says:

In the case of a draft convention, the Member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention—

Hon. Mr. DANDURAND: Would the right honourable gentleman read the part concerning the federal state?

Right Hon. Mr. MEIGHEN: Will the honourable gentleman be patient and listen to what I read?

In the case of a draft convention, the Member will, if it obtains the consent of the authority or authorities within whose competence the matter lies, communicate the formal ratification of the convention to the Secretary-General and will take such action as may be necessary to make effective the provisions of such convention.

So under that clause the authority or authorities must be such as is or are able to ratify the convention. If there is ratification it is communicated to the Secretary-General.

Now I proceed to the part that the honourable gentleman so eagerly awaits:

If on a recommendation no legislative or other action is taken to make a recommendation effective, or if the draft convention fails to obtain the consent of the authority or authorities within whose competence the matter lies, no further obligation shall rest upon the member.

Hon. Mr. DANDURAND: Now will my right honourable friend read—

Right Hon. Mr. MEIGHEN: The honourable gentleman need not be in a hurry. I shall read what he wants. It should not be imagined that these clauses have no significance, for they are tremendously important. I come now to the part which the honourable gentleman is in such a hurry to have read:

In the case of a federal state, the power of which to enter into conventions on labour matters is subject to limitations—

Hon. Mr. HARMER: Hear, hear.

Right Hon. Mr. MEIGHEN: The honourable senator says, "Hear, hear." But will he or any other honourable member say that this Dominion of Canada is a federal state the power of which to enter into conventions on labour matters is subject to limitations?

Hon. Mr. DANDURAND: But my right honourable friend said that in 1920.

Right Hon. Mr. MEIGHEN: I am not afraid of having been wrong long ago, but I am afraid to be wrong now. I have had some time to think over this question and some light has been thrown upon it. The honourable gentleman (Hon. Mr. Dandurand) said yesterday that the light had been a long time reaching us, because the last judgment on federal jurisdiction was given in 1932. That statement does not come with the best of grace from one of those who are still in darkness bound. The light has not reached them yet.

Hon. Mr. POPE: No, and it never will.

Right Hon. Mr. MEIGHEN: It is not what I said in 1920 or 1925 that matters. If I was wrong, the succeeding Government was wrong also. I believe that we both were sincerely wrong. But it does not follow that the Government of to-day is wrong. On the contrary, it is right.

The clause which I was reading states:

In the case of a federal state, the power of which to enter into conventions on labour matters is subject to limitations, it shall be in the discretion of that Government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this article with respect to recommendations shall apply in such case.

It is true that Canada is a federal state, but it is not a federal state whose power to enter into conventions on labour matters is subject to any limitations whatever. Its power in this respect is certainly not subject to any limitation when these matters are of such importance as to affect the body politic of the Dominion. Manifestly we cannot hide under the provisions of article 405. I do not want to crawl in the dark under that provision, nor do I think it would give shelter to anyone, for we are not such a federal state as is described there. But the Empire is such a federal state, for its powers to deal with conventions on labour matters for the whole Empire are subject to limitations. Canada, for instance, would have to pass upon labour matters affecting this country. Possibly Germany was another such federal state. At all events, Canada certainly is not. Canada under treaty can deal with labour or any other matters. Our powers are ample and complete. They have never been chal-

lenged. Certainly they never have been denied, and they undoubtedly have been admitted, acknowledged and established by the judgments of 1931 and 1932.

Therefore we have not discharged our whole obligation, nor have we discharged any obligation on earth, when we have dropped letters into the post for the Lieutenant Governors of the provinces. Canada entered into the subconvention. We are not bound by it unless the authorities competent to deal with it approve of it. Those "authorities" are the Parliament of Canada. If this subconvention had been dealt with by the United States it would have gone to the President and he would have submitted it to the competent authority, which is the Senate. If the Senate disapproves of a treaty, that is the end of it. The only authority in the country competent to approve or disapprove the convention, as a convention, is the Parliament of Canada. The two branches of Parliament were the authorities to whom that convention should have been submitted.

And I am proud it is so. This country having made a treaty, we do not want it to stand by in trembling impotence and say: "We are sorry, but unless the conflicting interests of our provinces are all brought into harmony we cannot do anything about it. Our wings are clipped. We are really not a nation. We are only a pretence. It is true we can make and sign any arrangement, but we cannot carry it out. We cannot ratify it —we cannot make it binding."

According to some of my honourable friends opposite we have to submit the convention, not to the competent authority, the whole country, but to the long range of nine provinces. We have done that. We have waited fifteen years for action by one province, and no action has come. How long should we have to wait for action by the whole nine?

This is the position honourable members argue we have to stay in. If we try to get out of it we are told that we are challenging the sacred pact of Confederation. But we are only utilizing that great instrument. I plead with honourable members, let us hold the British North America Act in the reverence to which its age, its genius and its great authority entitle it. But let us realize that it must be interpreted in the presence of conditions as conditions alter, although its spirit may never be changed. In our interpretation let us always be guided by the light of its great purposes, and let that light shine upon us all.

The Hon. the SPEAKER: The question is on the motion of the Right Hon. Mr. Meighen, seconded by Hon. Mr. Ballantyne. Is it your pleasure to adopt the motion? Those in favour will please say "content."

Some Hon. SENATORS: Content.

The Hon. the SPEAKER: Those opposed will please say "non-content."

Hon. Mr. LEMIEUX: Non-content.

The Hon. the SPEAKER: In my opinion the contents have it.

Right Hon. Mr. MEIGHEN: I should like the yeas and the nays taken. It is rather an historic hour.

Hon. Mr. DANDURAND: Before the division is taken I desire to state that when I rose yesterday I declared that as this convention partly covered the power of the Federal Parliament I did not intend to oppose it.

The motion of Right Hon. Mr. Meighen was agreed to on the following division:

CONTENTS

Honourable Senators:

Aseltine	Little
Ballantyne	Lynch-Staunton
Barnard	Marcotte
Béland	McCormick
Blondin (Speaker)	McDonald
Bourque	McGuire
Brown	McMeans
Calder	Meighen
Casgrain	Michener
Coté	Murdock
Dandurand	Murphy
Donnelly	Morand
Foster	Pope
Fripp	Prevost
Gillis	Riley
Graham	Sinclair
Griesbach	Smith
Horsey	Tanner
Horner	Taylor
Hocken	Tobin
King	Turgeon
Laird	White
Lewis	(Pembroke).—45.

NON-CONTENTS

Honourable Senators:

Aylesworth (Sir Allen)	Lacasse
	Lemieux.—3.

NATIONAL AND RAILWAY DEBTS OF CANADA

On the motion to adjourn:

Hon. G. LYNCH-STAUNTON: I should like to direct the attention of honourable members to a paragraph in the Ottawa Journal of to-day, and to ask a question thereon. This is the paragraph:

Somebody has discovered that something like a billion dollars of debt charged to the Canadian National Railways is duplicated in the debt of the Dominion, that we are thus made to seem to owe a billion more than we do owe. The matter, of course, isn't as solemn as it seems, seeing that we don't pay any interest on the extra billion we charge ourselves. On the other hand, it is often bad to have a thing merely look bad; certainly it is not going to do us any good to be imagining that we owe a billion dollars more than we do owe, or to have others imagining it.

I have always understood that we were paying interest on $5,000,000,000 between the Dominion and the railway, and I should like to ask the Government this question: What is the amount of the combined Dominion and Canadian National Railways debts which either or both have contracted to repay, or on which either or both are liable to pay interest?

I think it is of great importance that it should be shown, if it is so, that the Canadian National Railways debt and the debt of Canada combined are a billion dollars less than public opinion seems to think they are.

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

THE SENATE

Thursday, February 21, 1935.

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

Prayers and routine proceedings.

CANADA'S WAR POLICY

On the Order:

Resuming the further adjourned debate on the motion by Hon. Senator Hughes.—Hon. Senator Murdock.

Hon. Mr. MURDOCK: Honourable senators, I move that this Order be discharged and placed on the Order Paper for Wednesday next.

The motion was agreed to.

The Senate adjourned until Tuesday, February 26, at 3 p.m.

THE SENATE

Tuesday, February 26, 1935.

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

Prayers and routine proceedings.

Hon. Mr. LYNCH-STAUNTON.

NATIONAL AND RAILWAY DEBTS OF CANADA

INQUIRY

Hon. Mr. LYNCH-STAUNTON inquired of the Government:

1. What is the amount of the funded debt of the Canadian National Railway Company for which it is liable?
2. What is the amount of the national debt of the Dominion of Canada?
3. What is the amount of the combined funded debt of the Dominion of Canada and of the Railway Company on which they pay interest?

Right Hon. Mr. MEIGHEN: The answer is as follows:

As at December 31, 1934—	
1. Funded debt..	$1,246,330,439
2. Unmatured funded debt. ..	2,915,254,011
Matured unpaid funded debt	10,737,544
	$2,925,991,555
Net debt..	$2,764,964,294

3. $1,246,330,439 and $2,915,254,011; total, $4,161,584,450.

PATENT BILL

CONSIDERATION BY COMMITTEE ON BANKING AND COMMERCE

Right Hon. Mr. MEIGHEN: In case the notices have not reached honourable members, I wish to say that the Committee on Banking and Commerce, which is in charge of the new Patent Bill, will meet immediately after the adjournment of the House.

BUSINESS OF THE SENATE

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

Right Hon. Mr. MEIGHEN: Before the House adjourns, may I ask if there is not a Bill from the House of Commons, for introduction here, respecting the Canadian National Railways refunding?

The Hon. the SPEAKER: I am informed that there is not.

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

THE SENATE

Wednesday, February 27, 1935.

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

Prayers and routine proceedings.

PURCHASES OF PAPER

NOTICE OF INQUIRY

Hon. Mr. PARENT: Honourable senators, I wish to give notice of the following inquiry:

How much money has been spent by the Government during the fiscal year 1934 for the purchase of paper, showing:

A. What quantity of newsprint, if any, has been bought, from whom, and at what price?

B. What quantity of kraft paper, if any, has been bought, from whom, and at what price?

C. What quantity of higher grade of paper, such as is being used for correspondence purposes, has been bought, from whom, and at what price?

D. What quantity of any other class of paper, if any, has been bought, from whom, and at what price per ton or pound, as the case may be?

Right Hon. Mr. MEIGHEN: I presume the honourable member means the fiscal year ending March 31, 1934?

Hon. Mr. PARENT: I might amend my notice of inquiry by changing the year to 1933-34.

PORT OF CHURCHILL STATISTICS, 1934

INQUIRY FOR RETURN

Before the Orders of the Day:

Hon. Mr. CASGRAIN: I had an inquiry on the Order Paper, but it was changed into an order for a return. It is said that on a certain occasion when the widow of the Duke of Marlborough asked her sister if she saw anything coming, she answered, "No, I do not see anything coming." Neither do I see anything coming in the shape of an answer to my inquiry. The right honourable leader of the House has told me that three departments are concerned in the preparation of the answer. If he will only give me the names of the departments in question I will go to each and find out who is holding up the answer.

Right Hon. Mr. MEIGHEN: I gave special instructions that the hopes of the honourable gentleman were not to be disappointed—that they were to be realized with the utmost expedition. I cannot at the moment give him the names of the three departments. I will furnish this information to-morrow.

CANADA'S WAR POLICY

DISCUSSION CONTINUED—PROPOSED RESOLUTION WITHDRAWN

The Senate resumed from Thursday, February 21, the adjourned debate on the motion of Hon. Mr. Hughes respecting Canada's war policy.

Hon. JAMES MURDOCK: Honourable senators, I feel somewhat embarrassed in speaking to this motion. Its sponsor asked me if I would second it, and of course I said I would. I think there is sufficient in the motion to warrant its earnest consideration by every honourable member, but, remembering the old adage about the ostrich hiding its head when danger threatens, and remembering also that human nature is pretty much the same in Canada as elsewhere, I realize that we frequently act on the principle that sufficient unto the day is the evil thereof.

If this motion had been before the Parliament of Canada, let us say, in June or July, 1914, and had been adopted, I do not think it is unfair to suggest that Canada to-day would be in a very different position. I do not suggest for one moment that there would not have been as great a rallying to the standard in support of the British Empire and, as was believed at the time, the hopes of the peoples of the world. However, I realize that probably honourable members do not want to discuss this motion. When, some few days ago, I moved the adjournment of the debate I did so because it seemed to me the motion was going to fall without further discussion, although in my opinion it raises some of the most important questions confronting Canada to-day.

The honourable senator from Rougemont (Hon. Mr. Lemieux), who is not in his seat to-day, in discussing the eight-hour resolution that was before us the other day—which was adopted in Washington some sixteen years ago and was submitted for our consideration fifteen years after it should have reached us—said:

> I wonder whether my right honourable friend—

referring to the leader of the Senate (Right Hon. Mr. Meighen)

> —realizes that when those social reforms have been in operation a very short time we shall have about 25 per cent of the population maintaining the other 75 per cent.

That was a frank and honest recognition, backed by facts, of conditions as they exist in Canada to-day. All right; carrying that percentage and that comparison a little further, to the resolution now before us, is it unfair for us to assume that if this motion in its entirety were submitted to the people of Canada by means of a referendum, 85 per cent of them would vote in favour of it? That the other 15 per cent could hardly be expected to do so would be, I think, admitted. Why? Because in many cases they might hope to profit out of a war in the future, if

it should come, as they have done in the past. Some of the fortunes of men in this Canada of ours have been made through the bloodshed and suffering of fellow Canadians, or by reason of conditions that brought about that bloodshed and suffering.

I have undertaken to divide this motion, which I think is of great importance to the people of Canada, into the seven paragraphs which appear in it. The first paragraph reads:

That in the opinion of this House, should Canada ever again be at war with one or more nations she shall wage it with every ounce of her strength in man and material power.

As a Canadian who knows as much, I think, as any other member of this House about the meaning of the misfortunes of war, and as one who has been handicapped by them since babyhood, I venture the opinion that we, one and all, would subscribe to that first paragraph. Of course Canada would rally, in a just cause, with every ounce of her strength in men and material power to the defence of Canada or of the Empire. I think that goes without saying. We need no further evidence of what we would do than the results that came to Canada and the suffering that was visited upon Canadians as a consequence of the last war.

The next paragraph reads:

That the declaration of war or the beginning of hostilities shall be followed immediately by the mobilization and the conscription of all the human power and all the material wealth of the nation.

As a very ordinary citizen I ask myself why this should not be so, and I think that 85 per cent of the Canadian people, if they had an opportunity to express themselves by means of a referendum, would subscribe to that second paragraph and say: "Yes, that is the proper thing to do. Play no favourites."

Then we come to the third paragraph:

That a War Council representing all the provinces and the Government shall be formed and shall have supreme control of all war activities and orders.

I do not particularly subscribe to that. I am not sure that it would be the best way to maintain the timely supervision that would be necessary in order to wage war equitably and properly on behalf of Canada. I did not help to prepare the resolution, and I think that possibly the third paragraph might have been considerably improved. The thought contained in it is all to the good—that a War Council, representative of all classes of Canadian citizenship, should be formed to assume supreme control over all war activities and orders.

Then we come to the fourth paragraph:

That said Council shall have the power to assign every man and woman in Canada to whatever position it thinks they are best qualified to fill, but making as few changes as possible in the daily occupations of the people.

That is quite logical and sensible, I think, and would have been extremely helpful to this Canada of ours if it had been adopted and put into effect in the first part of 1914.

The fifth paragraph says:

That the wages, salary or income—

And this, by the way, is a touching paragraph, and I know some of the distinguished members of this House would not agree with it.

That the wages, salary or income for personal use or retention of no person in the Dominion from the Governor General down, including the officers of the Army, shall be greater than the pay of the common soldier in the field, plus a reasonable amount for dependents.

May I as a Canadian ask why this should not be so? I say again that if such a proposal were submitted to the people of Canada 85 per cent of them would subscribe to it. I realize that it would make impossible the creation and maintenance of the more or less high-class officers' mess as distinguished from the canteen of the common soldier. I realize that some honourable gentlemen sitting on the other side of the House, in looking across at the picture on the wall behind me, would be able to visualize officers in the surroundings in which they see the poorer private soldiers. I know that such a condition would be a radical departure from what heretofore has been regarded as proper, and I know there are distinguished gentlemen who will say that it would be contrary to all rules of discipline. I know that a hundred and one fairly good and logical arguments can be made against such a proposal, but to my mind the question is: what would the people of Canada think about it in the light of the knowledge which they now have with respect to the 600,000 Canadians who, out of a population of 10,000,000, went overseas, 60,000 of them never to come back, and with respect to the couple of billions of dollars of debt that we are now told is hanging around the necks of our people? What would the people of Canada say about this proposal? Would they not, after taking into careful consideration all the objections that could be produced against such a proposal, say: "It is playing the game fairly as between Canadians, and this is what we should do."

I have not got to the time of life when I expect a substantial number of honourable members of this House to accept my views Oh, no. But I think I should not be doing

my duty fairly were I not at least to state what those views are.

Incidentally, some honourable members may have noticed last Monday's issue of one of the Ottawa daily papers, which had photostated in the middle of its front page a copy of our Hansard for the previous Thursday. It was very illuminating, as indicating the very slight amount of work that we did on Thursday. It so happened that I was the only member mentioned in that far from extensive Hansard. Why was it that my name appeared as it did? Because an hour before we met that day I was called on the telephone and asked if I would postpone the discussion on this very resolution we are now dealing with. To be fair, I should say I was called by my leader. Of course I acquiesced, because I thought a lot of important work had developed and there was a desire to get along with it. Then we assembled, and we were here seventeen minutes, by the clock. I hope that some honourable gentlemen caught the 3.30 train for Montreal. I want to place the responsibility for not going on with this order on Thursday last where it properly belongs. It was of sufficient importance to have been proceeded with. I think that to the people of Canada who furnished the soldiers who bled and died in the last war we owe at least the duty of reasonably and fairly discussing the possibilities of a future war.

Yes, we are interested in war. Curiously—and shall I say inconsistently?—we expend about $13,000,000 a year on account of war preparations. And last year in this House we had a considerable discussion on a matter which involved, among other things, the expenditure of some $200,000 or $300,000 a year for the purpose of enabling us to work with other nations of the world in the interests of world peace, by co-operating with the League of Nations and the International Labour Office. How embarrassed we should have been during this present session of Parliament if last session we had adopted—as, of course, we had no thought of doing—the motion to withdraw from the League of Nations—to quit subscribing to it! Only last week we approved a number of conventions—and I hope there will be more—which emanated from the International Labour Office, a part of the League of Nations.

The point I want to make is that if there is any sincerity—and I believe there is—in the minds of those who are in favour of wholehearted participation in the activities of the League of Nations, and of co-operation with other countries to bring about world peace, surely it must be seen that no single thing would be of more benefit to the nations and to the International Labour Office than the passage of this resolution. That would be a concrete demonstration of the fact that we, as citizens of Canada and the British Empire, are as ready as ever to participate in, and if necessary to gamble our all upon, a just war, and that in the event of another war we intend to put all our people upon an even basis. If Canada and all the other nations which are now members of the League of Nations were to pass a resolution of this kind and adopt the course it recommends, would it not be the greatest step ever taken towards the discontinuance of war? Of course it would. Why? Because the profits and the gold braid and the trimmings would be taken out of war. Those things have had a great deal to do with war in the past. In saying this I hope no one will be unnecessarily touchy about it. I repeat my belief that the gold braid and the trimmings—yes, and the graft—that were in evidence not only during the Great War, but in every war that history records, as far back as I have been able to read, have had much to do with the creation and maintenance of war.

Now I come to the sixth paragraph of the resolution. It is short, but important.

That no money be borrowed or debts incurred for the prosecution of the war, or for demobilization.

I can imagine hearing some honourable members whisper that that could not be done. You cannot make me believe it could not be done. I confidently feel and believe it is possible. I feel certain that there was sufficient money in Canada in 1914 and thereabouts to carry on the war, so far as we were concerned, if it had been reached for and grabbed, as many mothers' sons were grabbed for war purposes. Once before in this House I referred to the fact that when a very distinguished and high-class resident of Ottawa passsed to the Great Beyond, the papers told us that his will as probated disclosed holdings of either $645,000 or $845,000—I forget which—in tax-free bonds, as part of the estate. In view of the conditions that prevailed when those bonds were handed out, conditions which we all have regarded as generally equitable and reasonable for carrying on the affairs of our country, we cannot particularly criticize or blame that distinguished citizen, who is dead and gone, for having invested that sum of his money in government securities which were issued tax-free. But what would 85 per cent of the Canadian people say about a thing of that kind now, if they had an opportunity to vote upon it? Would they not say now, "We have seen how unfair and inconsiderate that practice was in the past, how it benefited

a comparatively few citizens, and never again will we permit anything of the kind to exist"? I think they would. And whom are we representing? For whom are we speaking? Whence comes the money that pays the indemnity each one of us receives?

While I am speaking, may I digress for a moment to touch upon a question that we were talking about last week, the eight-hour day. I think, though I hope I am mistaken, that possibly some distinguished gentlemen are just as much opposed to the eight-hour day now as I know they were a few years ago. What about the eight-hour day? And what about the people of Canada, who are paying us? I wonder if they know that during the first month the Senate was sitting, in the present session, we worked seven hours and thirty-two minutes? Check up and see how near to the fact I am. Yet there are some gentlemen who think that is all right, because we are of the elect, of the chosen few. But some of those very gentlemen would say, as they have been saying for many years: "Never mind the eight-hour day. We are not going to subscribe to that. Labour is happier and better off when it is working."

Let us pass along to the seventh and last paragraph of the resolution:

> That all the expenses of the war and of demobilization shall be met by taxation and capital levies, so that at the end of the war and of demobilization the debt of the country would be no larger than it was at the beginning of the war.

I am not sure that that could be done, but if it is at all possible it should be done, and I feel quite confident that, given the opportunity, 85 per cent of our people would vote to try it out.

Some few months ago I was talking to a very distinguished and wealthy citizen, one who, I am satisfied, made his money honestly, judged by the standards we apply to the making of money. He told me that he was paying income tax on about $250,000 a year, and he assured me positively—I could hardly credit his statement—that if every income taxpayer were "on the level" with his conscience and the Government the debt of Canada would be wiped out. Honourable members will take the statement for what it may be worth, but that was his positive declaration to me; and he repeated it. He indicated the various methods resorted to to evade the payment of income tax. I believe there is a great deal in the contention that the financial condition of the Dominion would not be what it is to-day if every Canadian in the higher walks of life had played the game as unselfishly and as willingly as the tens of thousands of our soldiers who died in the mud and blood of Flanders.

When we come to consider whether this motion should take up the time of the Senate, can we for a moment doubt what would be the viewpoint of the mothers of the 60,000 men who gave up their lives in the last war, and the mothers of the tens of thousands who returned to them crippled and in many cases useless for the rest of their lives? How would they vote if they were passing judgment upon this motion? What would be the vote of our boys who when eight, ten and twelve years of age saw their fathers go away to the last war, never to return; boys who now have reached manhood, and had hoped to carry on as reputable citizens, but find themselves denied the opportunities of work—find Canada loaded down with debt? How, I ask, would those who have now come to the voting age deal with this motion? I do not think the youth of Canada are one whit less courageous to-day than were their brothers in 1914 when they rallied to the support of Canada and the Empire in a just war. But I think those young men would like, before they start in on what might be termed "the last round-up," an opportunity to apportion responsibility for the bloodshed and the distress and all the other horrors that follow in the train of war. Then how would the votes be recorded of the thousands of young people, now almost at the voting age, who only hazily remember their fathers, who went to France and never came back? And the thousands of widows, in many cases left to plead for an opportunity to do some little remunerative work, to which they would not have had to resort had the bread-winner not been sacrificed in the service of his country—how would they vote?

Would it not be a splendid tonic for humanity for Canadians to subscribe to the principle outlined in this motion, the maintenance of a common lot for the highest and the lowest? Would it not place them on a pedestal in the estimation of the world? In the sight of Heaven we are all made of the same flesh and blood. Were this principle adopted, there would be no favouritism, no discrimination in war-time, such as has obtained in the past under our present system.

Further, I submit that by adopting this motion we should, as Canadians, be subscribing 100 per cent to the principles underlying the Treaty of Versailles, which treaty was signed by the representatives of Canada. This is one of those principles:

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.

Such was the condition in 1919. We might reasonably have anticipated that within a reasonable time after the signing of the treaty that condition would cease. But to-day in various parts of the world, yes, in this Canada of ours, it still persists. The acceptance of this motion would, it seems to me, give a practical demonstration of the sincerity of our adherence to the Treaty of Peace.

That treaty also contained this proposal:

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 employment, 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.

Almost sixteen years have gone by since the treaty was signed, but nothing substantial has been done to make effective the principles there laid down. I am not seeking in the slightest degree to disparage the social legislation now before Parliament. I hope we shall be able to go the limit to accomplish what we should have accomplished fifteen years ago. I shall not worry very much whence comes just, decent and fair treatment for the workers of Canada, so long as it comes in full measure.

In expressing these few thoughts I fear I have digressed somewhat from the motion before us. It is my earnest hope that some of the distinguished members of this House, far more able than I am, will discuss this motion logically and consistently, with due regard for the rights of Canada's citizens. In my judgment no motion in many years has come before us involving so much of vital interest to the ordinary citizens of Canada. I thank you.

Hon. H. S. BELAND: Honourable senators, my honourable friend the senator from Parkdale (Hon. Mr. Murdock) is always interesting. To-day on this important motion he has struck a certain human note which renders his address all the more attractive.

The motion which he has just discussed paragraph by paragraph is of a comprehensive nature. If I read it aright, it purports to set a complete programme of what Canada should do in case the calamity of war should again befall this country. I shall not discuss the motion paragraph by paragraph as my honourable friend has done, but shall simply content myself with indicating the particular paragraphs with which I do not agree. The remainder will be agreeable to me.

When the honourable senator from Kings (Hon. Mr. Hughes), the mover of the resolution, asks that a War Council representing all the provinces should be called into being for the purpose of directing our war activities, I cannot agree with him. I have in vain searched his address to find some reasons why such a proposal should be carried into effect. We have in this democratic country of ours a Government which is drawn from the ranks of the members elected by the people. The Government is fully and completely representative of the nation. Why, then, should my honourable friend in his motion claim that a War Council should be constituted?

We as a country have, unfortunately, experienced war. From 1914 to 1918 the direction of our armed forces engaged in the conflict overseas was consigned to the Government of the day, and, apart from a few criticisms such as are bound to arise, it seems that the Government of the day properly discharged the duties which it was called upon to perform. So I repeat that I do not agree with my honourable friend as to that paragraph.

Paragraph 4 is only a corollary of paragraph 3. It deals with the power that this War Council should have.

One paragraph with which I agree particularly is that which sets out that no person in Canada shall receive as a reward more than any other person. If there is, honourable senators, a duty that is sacred by its very nature, it is the duty of protecting the firesides and maintaining the integrity of a country. In such a case no man should receive a greater reward or recompense than another.

It is stated in the first paragraph of my honourable friend's motion that in case of war Canada will have recourse to all her resources in order to discharge the responsibilities incurred by the war then in progress. This seems to be a superfluous paragraph. If a person is in the centre of a house in flames, does he require any special direction or guidance as to what to do? The first instinct of that person will be self-preservation. The love of life itself is a light that burns in every man's bosom, and if this country were suddenly drawn into the vortex of war, who doubts for one moment that it would have recourse to all its resources in men and money and all its other resources in order to protect its territory and its citizens? I repeat that I do not think this first paragraph is of importance.

That Canada is a peaceful country is well known. Her longing for peace has been proclaimed in international gatherings in London, Paris and Geneva. Thanks to the representatives of Canada at these various conferences, our country enjoys throughout the wide world the reputation of being a leader on the path of peace. But love of one's country or love of peace does not preclude a reasonable preparation for war.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BELAND: My honourable friend from Parkdale (Hon. Mr. Murdock) a moment ago made allusion to the amount of money spent annually by Canada for war purposes. To many people it may appear large. It may not be too much. The prime duty of a Government is to protect its citizens and its territory. The Romans, even at the height of their power, had an adage—and as my honourable friend (Hon. Mr. Murdock) referred to an adage a moment ago, I may be permitted to refer to this: si vis pacem, para bellum.

Hon. Mr. CASGRAIN: Si vis pacem, para bellum.

Hon. Mr. BELAND: I am very glad to have my honourable friend help me along. Translated, this means, if you desire peace, prepare for war.

Canada, thanks to her geographical situation, is likely to enjoy peace for ever. On the north, on the east and on the west our neighbours are very remote, and to the south there lies a country which has demonstrated its love for peace. The United States of America have been at peace, with the exception of the World War, for well-nigh a century. The love of peace in that country has penetrated not only the halls of government, one might say, but every household and the heart of every citizen of the great republic. The only barrier, if I may use the expression, existing between that great republic and ourselves is a line drawn on the map.

However, the history of the world during the last twenty-five years contains a very powerful lesson and a very serious warning. If you take the first fourteen or fifteen years of this century what do you find? If it had been the privilege of honourable members of the Senate to travel through the continent of Europe, say in the years from 1905 to 1912, what spectacle would they have been called upon to behold? They would have seen a very strenuous preparation for war in most of the countries of Europe, particularly in Germany, where one could not travel without hearing the clanking of swords on the sides of hundreds and thousands of officers, and the dreary thud of the goose-step of millions of men on the sod. It was evident then that Germany was feverishly preparing for war, and one could not help coming to the conclusion that the sixty millions of people in Germany, for that was the population of that country, appeared determined to subject the whole world to their domination.

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. BELAND: One could not help reaching the conclusion that the most futile pretext would let loose on Europe the demon of war. A spark was bound to set the continent ablaze. That pretext, or that spark, occurred in a little incident in Serbia.

Perhaps, with the permission of honourable senators, I might endeavour to relate in a few words what came to pass at that moment. An Austrian Archduke was assassinated in the street of Serajevo, a town in Serbia. That, of course, created a commotion in Europe. Austria was immediately determined to wage war on Serbia. Serbia fell on her knees, ready to apologize or do anything at all compatible with her honour to atone for the crime that had been committed. Austria at the moment appeared quite willing to accept the apologies of Serbia; but, if I remember aright, honourable senators, there was behind the old and decrepit Emperor of Austria a certain Kaiser in the city of Berlin. The German Kaiser was the one who was inspiring the demands of Austria upon Serbia. Serbia promised to hale before the Serbian courts the man supposed to be responsible for the assassination. That was a reasonable proposal, but Austria, under the inspiration of the German Kaiser, insisted that Austria herself should judge. That demand, not being compatible with the honour of Serbia, was refused, and there you have the cause of the War. As the liberty of the European continent was threatened, one country after the other entered the conflict. In spite of the efforts of England, France and other countries towards the maintenance of peace, Germany and Austria were determined upon having a war. May I say, if it is permissible to make a personal reference, that is, to expeditions beyond the seas, the eastern part of Belgium, close to the border between Germany and Belgium. Honourable senators can take my word for it that German armies had invaded the territory of Belgium before any declaration of war had been made known.

This small imbroglio was the prelude to a conflagration which involved almost the whole continent of Europe. One powerful country after another—England, France, Italy, Roumania—came in on the side of Serbia. Throughout the war these countries were known as the Allies. The war lasted four long years. It was a gigantic struggle. The whole continent of Europe was, as it were, drowned in its deluge of blood. Seven million men sacrificed their lives. To this human holocaust there were added the ruins of hundreds of cities and towns, and hundreds of thousands of homes. It would take days, indeed weeks, to depict the horrors of that war as they deserve to be depicted.

But what has been the result of this fearful conflict? Let us for a moment enter quietly the little country in the northwestern part of Europe known as Holland, and proceed to the city of Doorn. There is to be found the former German Emperor, once all powerful, the sovereign who had unchained the demon of war, who deserted his own armies when they were facing defeat, and like a poltroon ran for refuge to Holland, which is ruled by a very charming queen. He still is there.

My honourable friend (Hon. Mr. Murdock) referred a few moments ago to the horrors of war. At no time has the world ever been more determined than at present that peace must prevail. That is because the horrors of war are so well known. It will be a long time indeed before any other sovereign or ruler undertakes to bring outside nations under his dominion. Honourable senators, when one ponders upon the events of the last twenty-five years he of necessity comes to the conclusion that there is an immanent justice in this world. The terrific punishment of apostles of war, dreamers of aggrandizement and universal domination, the much-dreaded oblivion—and we know that oblivion is the grave of the haughty and proud—into which ambitious would-be conquerors have fallen, the re-establishment of old boundaries, the humiliation that has been meted out to war mongers and traffickers, all these things confirm one in the thought that offensive war is, in the ruling of divine justice, to be stamped out of civilized and Christian countries. The most dreadful fate, it seems, awaits the peace-breaker.

The will for peace is to-day on a par with the longing for liberty. The desire to achieve both is paramount, and no obstacle will be allowed to prevent that achievement. In countries like ours, where democracy is flourishing, there is a determination that all differences arising as between government and government must seek their adjustment in arbitration or through established international tribunals. Yes, peace with honour has come to be as precious as life itself. On one memorable occasion Robert Emmet said, "Give me liberty or give me death."

Hon. Mr. MURPHY: Patrick Henry.

Hon. Mr. BELAND: Robert Emmet also.

Right Hon. Mr. MEIGHEN: Patrick Henry.

Hon. Mr. BELAND: Robert Emmet, I mean He is the one I have in mind. Robert Emmet said, at the end of a speech before his judges, "Give me liberty or give me death." To-day we say, give us peace or give us death.

Hon. J. LEWIS: Honourable senators, I have no intention of going through the whole resolution and saying how far I agree with this or that. I desire merely to make my stand clear on one or two points. Briefly, I am in favour of putting a heavier burden upon wealth and property and a lighter burden upon flesh and blood. And when I speak of wealth and property I refer not only to great fortunes, such as we are inclined to envy—and I should not have the slightest objection to seeing them mulcted—but to all wealth and all property. For instance, I think that a man with a moderate income, who in peace time is paying an income tax of $70 a year, would have no ground of complaint if that tax were increased to $300 or $400 in the event of a war which he considered a just one. Such a sacrifice could not be mentioned in the same breath as the sacrifice of life or limb.

As to profits, I am quite in favour of preventing as far as possible the taking of profits on munitions, provisions, clothing, and other war-time necessities. But one of the effects of war is to make the whole country appear prosperous, however fallacious that appearance may be, because prices and wages go up. The condition is aggravated by the extensive issue of bonds. During the last War a man was told that he would be performing a highly patriotic act if he took money out of the bank, where it was earning 3 per cent, and invested it in gilt-edged securities, many of them tax-free, which were paying 5 or 5½ per cent—I have forgotten which. That was certainly a very profitable form of patriotism. I agree with the resolution so far at least as to say that during a war we should borrow as little money as possible, and at the lowest possible rate of interest. Then a man could show his patriotism by taking money that was earning 6 per cent and lending it to the Government at 2 or 3 per cent.

As to the use of man-power, I am not quite in agreement with the first part of the resolution. I am opposed not only to conscription, but to high-pressure recruiting such as in the last War inevitably led to conscription. If adventurous young men want to fight, let them go of their own accord and not be hounded into the blood and slime of the trenches by men living safely at home. Of course, in this I refer to the only kind of warfare of which we have had any experience, that at the time I happened to be in I think our experience of the last War and its consequences ought to make us very careful about going into another. Despite all the sacrifices that were made by Canada, Great Britain and other countries, a large part of the continent of Europe seems to be the same old slaughter-house and lunatic asylum that it was before 1914. So we should think a long time before we ever decided to repeat what we did in the last War. Of course, if Canadian soil were invaded, the picture would be entirely different. In that case we might have to resort to measures such as my honourable friend the mover of the resolution (Hon. Mr. Hughes) refers to. But that may be regarded as extremely unlikely, and therefore I do not propose to discuss at the present time the part of the resolution having to do with it. I wanted to make myself clear on this point, that in the event of another war I should like to see a heavier burden upon wealth and property and a lighter burden upon flesh and blood.

Hon. W. A. GRIESBACH: Honourable senators, I have very few observations to offer with respect to this matter. I suppose no student of history would deny the general proposition that wars are milestones marking the roads which nations must travel, either to greatness or to decadence. The resolution introduced by the honourable gentleman from King's (Hon. Mr. Hughes) is therefore of great interest. I think also he is performing a considerably useful service if he introduced it with the single object of providing for the efficiency of this country when next it finds itself involved in war. The subject is worthy of calm and dispassionate discussion, with none of what is commonly known as sob stuff.

The first paragraph of the resolution reads:

> That in the opinion of this House, should Canada ever again be at war with one or more nations, she shall wage it with every ounce of her strength in man and material power.

That seems to me to be a very sound proposition. I cannot conceive of any reasonable people getting into a war with any other object in view than the winning of it. Having regard to the terrible consequences to those who lose a war, I should think that any country that entered into a conflict would wage it outright, with all its strength.

The next paragraph is:

> That the declaration of war or the beginning of hostilities shall be followed immediately by the mobilization and the conscription of all the human power and all the material wealth of the nation.

I think that that paragraph hangs on the first one, and I have no objection to it at all. Just here may I say that if you are going to wait until war breaks out before you make plans for mobilization and conscription, you will probably make a very bad job of them. But I am in sympathy with the general principle as it is here put. After all, if you go into a war you do so with the object of winning, and you will conscript your man power and your wealth and take every possible step, reasonably of course, to bring about the desired result.

Then the resolution says:

> That a War Council representing all the provinces and the Government shall be formed and shall have supreme control of all war activities and orders.

I consider that proposal perfectly absurd, in the light of the history of war. The honourable gentleman from Lauzon (Hon. Mr. Béland) has stated the case very well. He points out that we already have in Canada a Government which is charged with looking after this aspect of national rights. Furthermore, I can imagine nothing that would have such disastrous results as the bringing in of a lot of people from the provinces, with their sectional and local notions of how things should be done. The whole history of war teaches the necessity of reducing the numbers of those who have control.

The next sentence is:

> That said Council shall have the power to assign every man and woman in Canada to whatever position it thinks they are best qualified to fill, but making as few changes as possible in the daily occupations of the people.

That seems to flow from the first and second paragraphs. If you are going to make war with every ounce of your strength you are going to utilize all the material you possess, including your men and women. One would say that some authority, probably the Government, should have the power to assign people to their respective tasks.

The resolution goes on:

> That the wages, salary or income for personal use or retention of no person in the Dominion from the Governor General down, including the

officers of the Army, shall be greater than the pay of the common soldier in the field, plus a reasonable amount for dependents.

This proposal offers some scope for the demagogue. It suggests bringing everybody down to a common level. The idea does not bother me in the least, but I can imagine that our western farmers, the employees of our great railway system, and in fact the workers in scores of classes, would very strongly oppose it. I should have no objection to what was done on the home front, if it were necessary for the winning of the war.

Let me deal now with that part of the proposal which refers to army organization. Down through the ages the great empires of the past, Persian, Assyrian, Egyptian, Grecian, Roman, have organized their armies on the basis of hierarchy, with pay and privileges corresponding to rank and responsibility. In the history of the last 3,000 years there will be found no record of any other basis, and, human nature being what it is, I venture to assert that it would not be possible to organize an army except on a hierarchical basis.

Curiously enough, when the organization of the warlike Zulus was inquired into about fifty years ago it was found that their military unit, the impi, numbered 3,000 men, and that there was a leader for every seven men.

The organization of the army of the Roman Empire, in common with that of the armies of the other powerful nations of the past, approximated closely to the basis of our modern battalion, with its four companies, sixteen platoons, and sixty-four sections, each numbering seven or eight men. There you have the hierarchy of command, with increased pay and greater privileges in proportion to ascending rank and heavier responsibilities.

It may be a very attractive idea to have an army in which there is absolute equality—everybody enjoying the same rank, carrying the same responsibility, receiving the same pay. But I shudder to think that certain honourable members of this House, who might at some future time be controlling the destinies of our country, hold such an utterly absurd and impossible view.

I happened at one time to serve in a regiment in South Africa. The non-commissioned officers were men of private means, for whom the prospect of increased pay had no attraction, and they refused to take promotion. Finally the regiment came home practically in a state of mutiny. In short, the impossibility of preserving the hierarchy of command had a disastrous effect on discipline and organization.

Whatever might be possible in dealing with civilians, I warn the House against the folly of attempting to place soldiers on any such basis as that contemplated by the sponsor of the motion. The recorded history of the world gives no example of an army that was not organized, controlled and led by a hierarchy of command, with increased pay and greater privileges accompanying higher rank and heavier responsibilities.

The sixth and seventh paragraphs read:

That no money be borrowed or debts incurred for the prosecution of the war or for demobilization;

That all the expenses of the war and of demobilization shall be met by taxation and capital levies, so that at the end of the war and of demobilization the debt of the country would be no larger than it was at the beginning of the war.

This is inconsistent with the first paragraph of the motion, that we are to wage war with all our strength for the purpose of achieving victory. We cannot know what conditions will govern the next war, and were we to adopt these financial proposals we should be hamstringing the nation financially and economically, thus destroying its whole organization.

I say again, I welcome this motion to the extent that its purpose is to promote efficiency in war. It creates an opportunity to discuss what at the present time is being done in the United States to prepare for war industrially, economically, and financially. Under the leadership of the War Department the authorities have taken a census of industry and of war material; they have ascertained what is needed and what the country itself can produce; they have brought about a systematization of gauges and standards; they have prepared, on paper, an organization of personnel and a system of inspection, accounting and assessment with respect to orders for war materials, deliveries, prices, and profits—all designed to put the nation into the next struggle with carefully thought-out plans, in order to avoid waste, extravagance, and misapplied energy. That work has been carried out at no very great expense, it has created no alarm, and yet I am sure it will enable the United States to wage war very much more efficiently and economically.

A similar plan should receive consideration at the hands of our own people. We were pitchforked into the War of 1914 without plan or preparation for its conduct. True, there were plans on paper, but they were ruthlessly brushed aside at the outbreak of war to permit certain individuals to carry on operations in their own fashion.

In that connection I may make this observation. At least 25 per cent of our war expenditure was utterly wasted because of our unwillingness to give the matter some thought beforehand. There was lack of preparation, both mental and physical. I go further and declare that a substantial proportion of our casualties were due to lack of training and equipment; that is, lack of preparation. A sad reflection twenty years after the event, but I believe I am absolutely correct. For example, our system of recruiting was exactly the same as that which prevailed in the reign of Queen Anne. We got more or less well known men to raise a battalion and take it over to England. There it was broken up, and we soon had a number of officers without commands. In the 17th century the British Government retired their surplus officers on half-pay. Wealthy men took advantage of this to provide for their sons. Young men would secure a commission, raise a company of 100 men and bring them into barracks, whereupon, having discharged their duty to their country, they retired on half-pay. There is a case on record of a man who lived to be 120 and drew his half-pay for 100 years!

Then I direct the attention of the House to another weakness of our system in 1914. No doubt several honourable gentlemen are familiar with the numerous instances of rivalry between two commanders each raising a battalion in the same town. Naturally there was keen competition for recruits, and if the strength of one battalion was ten or fifteen men ahead of the other, the commander of the apparently less popular battalion would tell his medical officer that he was a little too severe. Immediately he lowered the physical standard the battalion gained strength rapidly, and soon it was twenty ahead of the rival battalion, whose commander in turn would remonstrate with his medical officer; and so the competition would become keener and keener, and the physical standard lower and lower. As a result of this laxity of medical examination we took thousands of men over to England only to have them rejected there. Hundreds of men are pensioners to-day without having made any useful contribution to our war effort. They were known in the service as King's bad bargains to start with.

All this comes about because you will not face the situation, you will not admit the likelihood of war, you refuse to discuss it and you will not plan for it. Very well, you pay the price. That is what you had to do in the last war, and you will have to do the same in the next war so far as I can see.

Let me cite other instances of unwise war expenditures. Faulty Oliver equipment cost the country a great deal of money; so did the Ross rifle; so did the hundreds of wagons that could not be used on European roads —all honestly purchased no doubt. Because of lack of thought and planning, enormous expenditures were made on what turned out to be utterly worthless equipment. Another instance of misdirected energy was the vast amount of money and time lost on the establishment of the Valcartier camp—perhaps our first and biggest mistake.

I have no patience with people who think that some curious change has come over human nature and there will be no more war. I know there is going to be more war. I might correct my honourable friend from Lauzon (Hon. Mr. Béland). He told us that prior to the Great War the United States had been at peace for 100 years.

Hon. Mr. BELAND: I made a mistake. I should, of course, have mentioned the Spanish-American War.

Hon. Mr. GRIESBACH: You should have mentioned also the greatest civil war in the last 500 years—the American Civil War of 1860-1865.

Hon. Mr. BELAND: That was a civil war.

Hon. Mr. GRIESBACH: Yes, but it does not make very much difference to the soldiers whether they are killed in a civil war or a foreign war.

Hon. Mr. BLACK: They are dead just the same.

Hon. Mr. GRIESBACH: Yes. Prior to that, in 1840, the American army crossed the boundary and captured Mexico City. There was also the war with France, which many people have forgotten, and also the war with Tripoli, at one time an independent state, on the north coast of Africa.

I repeat, I have no patience with those who say that some curious change has happened in human nature, and consequently there will be no more war. I know there is going to be more war, and I know every country is likely to be involved. To-day there are four centres of potential war—Japan, Russia, Germany, Italy. These great powers, by virtue of their form of government and their outlook on life, are likely to declare war on the slightest provocation, even without any provocation at all.

Now, believing that to be so, it is impossible for me to understand why men will not devote some thought to the efficient waging of war whenever we may be driven to it, in order that we may conserve our financial resources and the lives of our people. I charge those who refuse to discuss war preparations with responsibility for the needless waste of public money and of manpower that must ensue. I warn you who dismiss any discussion of these matters as a waste of time that you will be responsible for the money that will be needlessly wasted in the next war, and for the human lives that will be needlessly thrown away because of inefficient leadership, lack of training, and lack of equipment.

I welcome this opportunity to discharge a duty to my country in the interest of the generations that are to come, which, like my own generation, will be pitchforked into the next war totally unprepared and lacking everything necessary to ensure success. The only thing you may be grateful for is that the character and the spirit of our people during the past four or five centuries have enabled the country to triumph over the obstacles which our governments have put in our way.

I have to thank the honourable gentleman who moved this motion (Hon. Mr. Hughes). Again I express the hope that he has done so with an honest desire to bring about the efficiency of our nation in time of war, and not, as some paragraphs of his motion would seem to suggest, for the purpose of proposing the adoption of principles which, if translated into practice, would hamstring our nation. Perhaps it is his desire to make the waging of war so difficult as thereby to support the cause of peace. I have no objection, for I believe it is desirable to strive for peace; but I do object to proposals which, if adopted, would prevent us from waging war fully and effectually to defend ourselves from aggression, or create a situation which might hamper us in doing our full duty in a great national emergency.

Right Hon. ARTHUR MEIGHEN: Honourable senators, I stated to the honourable member who moved the resolution (Hon. Mr. Hughes) that I should have a few words to say upon it in the course of the debate. Those words, by reason of the prior observations of other honourable senators, will be very brief. I have not the least doubt of the good intentions of the mover of the resolution. I have the greatest doubt of the wisdom of his suggestions.

I hope I shall not be misunderstood if I make reference to certain words of the honourable member from Parkdale (Hon. Mr. Murdock) in the address he made this afternoon. He reflects upon this House, in that we have not since the opening of the session been many hours sitting in this Chamber engaging in debate. My words, I hope he will believe, are not animated by any hostility to himself; far from it; but I do not like the spirit of his observations. As they ring in my ear they seem to intimate that the fault lies with us, particularly with me as the leader of the House in general, and that he alone is in a position to criticize. I do not know that there is any fault particularly.

Hon. Mr. MURDOCK: May I suggest that the thought never entered my mind to cast any reflection on the leader of this House or any other member of it, because I realize that it is just a condition that cannot be helped.

Right Hon. Mr. MEIGHEN: I am quite certain that is the fact, and I accept the honourable member's statement. I will add, though, that I do not know what the object of the observation is. He found fault with being asked to defer his address when he was ready to speak the other day, and he seemed to feel that in consequence a sacrifice had been made. Some criticism, perhaps, came from a part of the press, ill informed of the situation. As a matter of fact, his observations were just as appropriate to-day as they would have been then. Consequently, there was nothing lost, and nobody was to blame for anything.

This House, as I interpret its functions, does not exist in order to be a duplicate of the House of Commons in the matter of long discussions of political events and tendencies in Canada. If we were to be merely a replica of the other Chamber, debating all and sundry matters, as we should if we were responsible to individual constituencies, then we should lose our value to the people of the country. We do not exist for that purpose at all. We cannot measure our usefulness by the hours we sit in this Chamber, nor by the length of our speeches, nor, indeed, by the acrimony of our debate. If we were not debating this afternoon, but were engaged in another chamber of this House wrestling with the practical and intricate problems of the Patent Bill, we might not be paraded in the press to such an extent, but we should probably be serving Canada the better.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: I have no apologies at all to make for the remuneration I draw as a member of this House. I am in favour of shorter hours of labour in this and all other countries; and not only am I in favour of the eight-hour day, but I am convinced that we are stepping far behind in the trend of events in limiting the day to eight hours. I believe we shall have to come to six—five perhaps; possibly in our own lifetime. Only when other countries will march with us in that direction can we proceed, because only then can we afford to take steps to that end. I know no eight-hour day during any session of Parliament, nor in my life. I rejoice that I have the privilege of working longer hours and of assuming special responsibilities.

Addressing myself for just a moment to the articles of the motion, I wish to say that while I welcome this motion as a means of elucidating the subject and placing ourselves on record in regard to something that is of consequence, I am opposed to everything in the motion except its aspirations. The aspirations are contained in the first two paragraphs. The first paragraph calls upon this country to devote itself whole-heartedly and without reservation to war. It proposes, should that ghastly event occur, and should we find ourselves in its toils again, that Canada shall wage war with every ounce of her strength in man and material power, and then:

That the declaration of war or the beginning of hostilities shall be followed immediately by the mobilization and the conscription of all the human power and all the material wealth of the nation.

Well, that the subject of the first proposal is sound and, indeed, is an essential feature of a declaration of war, goes without saying. As to the second, which in spirit is right, that the energies and capacities of all should be the property of the State, and that the property of all, for the purposes of war, should be at the disposal of the State—if this is what it means—I agree. But when the word "conscription" is used, and used in precisely the same way with reference to men as to money, I do not know that I quite understand the paragraph. When we conscript a man for war we make him and his time the property of the State, and put them under the supervision of the State. We do so because we believe it is essential. Now, if conscription has the same meaning with respect to property and wealth, it means that they immediately become the property of the State. In a word, it means a socialistic existence at once. I do not know whether the honourable member intended that or not. I do not think he could have intended it. If such were the case, and all property were immediately turned over to the management and ownership of the State, what would there be to tax, as called for by the fourth paragraph? We should have everything. The fourth paragraph has no meaning unless the proposal goes only so far as to say that to the extent necessary for the prosecution of war the State shall be able to seize property and may use it as much as it can, to the end of winning the conflict. Therefore, as to the remaining axioms of this resolution, we have to assume that this is the extent of the meaning of the honourable member. It then becomes a question as to how the State can best use the property of the nation for the purpose of bringing about a victorious termination of the conflict.

The honourable member says we must so conduct ourselves that there shall be no debt. We will not borrow money, we will just take it, and we will end the war without any more debt than we had when we began it. Well, that is a consummation devoutly to be wished, and if it were attainable one would wonder how it is that the intelligent countries of the world never hit upon it before. How is it that we are the first to think of such a glorious achievement—to find out that by doing a certain thing we can go through a war, such as heretofore has cost billions, and have it cost us nothing at all? I put this to the honourable member seriously.

Say that war is upon us, and that in a group of citizens of Canada the first man, A, owns a farm. It is clear, and he is working it and raising grain. The next man, B, did own a farm, but he has retired and has $5,000 in the bank. The third man, C, owns a factory which is producing something essential for the people of this country and the men at the front. All he has is that factory. How is the honourable member going to get the money with which to wage the war? Is he going to take the farm? That is the only way in which he can get anything from the first man. Is he going to take the factory? He will not get any money that way. So, as he cannot get any money, and as that is all that is of any use in the prosecution of a war, he leaves A and C out entirely. But B, who has retired and has $5,000, pays the whole cost.

Hon. Mr. LYNCH-STAUNTON: Is not the right honourable gentleman taking the honourable member too literally? Does he not mean that we pay as we go?

Right Hon. Mr. MEIGHEN: But we cannot pay as we go. The honourable member says he does not mean that. I am taking the words to mean what they say. But suppose the honourable member from Hamilton (Hon. Mr. Lynch-Staunton) is right, and that this does not mean to take the property at all, then "conscription" in the second paragraph does not make common sense. If this means that you take only money, then of course you can get it only from those who have it. But by the time you have it all, you will not have enough to carry on the war. There is not enough currency in the country for that, even if you call currency money. The fact is that in order to be equitable to all concerned you have to spread the burden; and you can spread it only by national borrowings. Does anyone in his senses believe that at a time when we need money to the extent, say, of $500,000,000 a year we can raise it by taxation alone, whether equitable or not? By no method of taxation in the world can you raise the money required to carry on a war. It is because of this hard, practical fact that nations have resorted to the plan always followed, and have never, in the halcyon days of the past, found this fine Elysium to which the honourable member must refer.

If the honourable gentleman were the head of a Government in time of war, he would no more dream of doing the things he proposes than he dreams of suicide to-day. They cannot be done. What we have to do is to address ourselves to discovering the most equitable form of taxation—the highest which can be levied—and to maintaining our industries and the morale of our people. Then, finally, we must tax the people. That is what we addressed ourselves to in the last War. Possibly we did not wholly succeed. The wisdom that is displayed after fifteen years is wonderful. One would think that bonds were made tax-free only because we were desirous of developing a rich and lazy leisure class in Canada. The Government of that day had to get the money in any way possible; it could not take the risk of failure; so in its wisdom, or its folly, it issued tax-free bonds. And every bond sold for more money because it was tax-free.

An Hon. SENATOR: There was no income tax then.

Right Hon. Mr. MEIGHEN: There was no income tax then, nor was one contemplated.

Hon. Mr. MURDOCK: Could you not conscript it?

Right Hon. Mr. MEIGHEN: I thought I had dealt with that. Why conscript the fellow who has 50 cents in cash and leave alone the fellow who has $50 in property? That is the only way you can conscript wealth. Money is all that is of any use. This is what honourable members have not thought of. You have to get pretty close to these things in order to realize fully the true state of affairs. In all this talk of conscripting wealth it seems to be assumed that all wealth is in the form of cash and cheques. Wealth takes a thousand forms: it is the accumulations of the human mind and the human act. But the only thing with which you can carry on a war is money; and when you conscript wealth, if you confine it to money, you throw the burden on only a few, and in the end you do not have half enough money to carry on the war.

So much for this feature. I think I have said enough. My honourable friend behind me (Hon. Mr. Griesbach), whose experience in these matters is worth something to this House and to this country, has put his case with wonderful lucidity and force. I cannot sit down, however, without making some reference to a remark of the honourable senator from Toronto (Hon. Mr. Lewis). He is not in favour of what I might describe as the significant feature of this resolution. He is not even in favour of putting at the disposal of the Government the whole of the armed strength of the country to the extent that is necessary to win. He says that if the war is outside of Canada he is altogether opposed to conscription. He flies right in the face of the first paragraph of the resolution, with which we all agree. According to him, if the battle is to be fought in Europe it is to be regarded as in the nature of an adventure, and if any young fellows like to go they may, but no pressure will be brought on the others. In his view such a conflict is not serious enough to warrant us in adopting conscription of life to carry it on.

Hon. Mr. GRIESBACH: Limited liability.

Right Hon. Mr. MEIGHEN: There can be no limited liability. If any war is serious enough for us to be engaged in it, it is a matter of life and death. Nobody, after reflection, can think that there is any possibility of our sending men to Europe, or anywhere else, to do battle unless the life of this country depends upon the result. We should never dream of doing that unless we thought it was a matter of life and death for our-

selves; and we never did do it—certainly not in the last War.

But suppose a great army in Europe is headed for its neighbours, as was the case twenty years ago. Are we to say we will send men over if they are ready to go, but that we will not take it seriously? Are we to say we will not join with France and Britain to turn back the march of the enemy on the banks of the Marne, and will only let our boys go if they want to go? Are we to say that though we will not fight seriously to resist the enemy on the banks of the Marne, we will do battle with all our life if he comes to the banks of the St. Lawrence? Once the enemy reaches the banks of the St. Lawrence, then the inch-long taper will be burned and done; it will be a case of "the bright day is o'er, and we are for the darkness." Who can imagine an enemy that can overcome the resistance on the Marne being met with any opposition worthy of the name when he reaches the St. Lawrence? We cannot defend this country within our own borders.

There is no one in this House more ready and more eager to sacrifice in order to improve conditions in his country than I am. I do not know whether it can be done or not. I do not know whether or not a war is coming. I certainly do not know that one is not coming. The events of the last three years have been discouraging in the extreme; the last twelve months have been heart-breaking. I do not know of any who are more certain to lose by war than we are. One thing I do know, however, and that is that if we have any brains, and have the means to defend our country, we are going to do so; and we must not yield to the fatuity that we can do it alone at the doors of our own homes.

So, as far as the resolution calls upon us to concentrate upon victory, I am in favour of it; but when it sets out the paths by which we are to reach this goal I say that they are false, and the principles upon which the honourable member seeks to have us act are vain and valueless, and never will be followed in this country or in any other.

Hon. Mr. HUGHES: Honourable members, never for one moment did it occur to me that on a question of such importance as this I could draft a resolution which would not be open to criticism. Much less did it occur to me that I could draw up a plan of campaign for the next war if, unhappily, we should have one. Therefore I am not at all surprised or disappointed at the criticism I have heard. In fact, I welcome it, and I think the country also will welcome it.

The honourable member from Edmonton (Hon. Mr. Griesbach) spoke from the wealth of his experience, and made what I conceive to be some very valuable statements.

If the right honourable leader of the House wishes to criticize any person he can do it well—and I have already said that I know my resolution is open to criticism.

I will say at once that one of my hopes was that if unfortunately we were ever again engaged in war we should at least take steps in advance to eliminate profiteering. Perhaps by doing so we should be able to conduct the war with greater efficiency.

The fact that the resolution has been favourably commented upon by a number of Canadian newspapers which are conducted by men of some knowledge and experience—not in war, perhaps, but in practical affairs—gives me reason to think that in substance it voices the opinion of many people. Since the matter was first brought before the House I have received letters and telegrams from a large number of men and women who certainly are interested in the country's welfare, and also from institutions and organizations. They all said they approved of the step I was taking. Even the discussion of to-day goes to show, I think, that there was—

Hon. Mr. CASGRAIN: Something in it.

Hon. Mr. HUGHES: —that there was something in it, as my honourable friend says. It has received greater consideration and publicity than I expected, and probably it will serve a useful purpose.

I do not find fault with the numerous mistakes that we made in the last War, because, as I stated in my remarks of a few days ago, the business was new to us. We made many deplorable errors, but perhaps not more than were made by other and more experienced nations. In the United States Senate there has been going on an investigation which has revealed that organizations that provided materials and supplies for the army and the navy of that country, after it entered the War—and it had some years to prepare itself—made profits of several hundred per cent. A few days ago I read that a still more discreditable fact was brought to light: organizations providing badly needed supplies to the military forces withheld those supplies until the prices advanced to fabulous levels. The ordinary people of the world are now suffering because of such profiteering. I should like to see the Parliament of Canada

take steps, while we are at peace, to make things like that impossible in this country if we should have another war. We should not be able effectively to prevent them if a war were to break upon us before we had taken any such steps.

Notwithstanding what the right honourable leader of the House says, I think we could raise a great deal of money by methods that would not make millionaires of a few persons and paupers of the masses, who will be paying the cost of the last War for many years to come. I should like to do everything I can towards the discovery of some such method, and to direct the minds of the Canadian people to the problem.

I think some useful purpose has been served by this resolution and discussion. As I have already stated, I have received a number of letters and telegrams from individuals and organizations. Some of the writers express the wish that action be postponed, so as to give time, particularly to the organizations, for the study of the whole matter and the official expression of their opinions upon it. Therefore I believe it to be my duty to withdraw the resolution for the present, with the consent of the seconder and of the House. By next session we shall no doubt have had an expression of opinion from various sources. Further action can then be taken, if the country so desires, and perhaps a proposal will be presented in a form more acceptable to this honourable House.

The motion was withdrawn.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

FIRST READING

Bill 19, an Act respecting the Canadian National Railways and to provide for the refunding of maturing and callable financial obligations.—Right Hon. Mr. Meighen.

PATENT BILL

CONSIDERATION BY COMMITTEE ON BANKING AND COMMERCE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I wish to call attention to the fact that the Standing Committee on Banking and Commerce is resuming when the House rises. I hope honourable members will attend the meeting, so that we may do all we possibly can this afternoon and arrange for a further meeting to-morrow morning.

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

THE SENATE

Thursday, February 28, 1935.

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

Prayers and routine proceedings.

PORT OF CHURCHILL STATISTICS, 1934

INQUIRY FOR RETURN

Before the Orders of the Day:

Right Hon. Mr. MEIGHEN: I may say to the honourable senator who was getting impatient yesterday, but is not in his seat to-day, that the names of the departments, three in number, which are concerned in his return are Railways and Canals, Marine, and National Revenue, and that in respect of the Department of Railways and Canals a part of the information has to come from Churchill. Hence the delay. It should seem foolish to be printing the question every day until that information arrives.

PRIVATE BILL

MOTION FOR THIRD READING

Hon. Mr. COTE, for Hon. Mr. Beaubien, moved the third reading of Bill B, an Act respecting Canadian Marconi Company.

Hon. Mr. PARENT: In the absence of the promoter of the Bill, the third reading might be postponed.

Hon. Mr. COTE: I do not see any necessity for postponing the third reading. The Committee on Miscellaneous Bills considered the Bill yesterday and passed it. I do not think anything is to be gained by postponing third reading.

Hon. Mr. PARENT: Although I am a member of the Private Bills Committee, I received no notice concerning this Bill and therefore had no opportunity to attend the meeting. I know nothing about the Bill. Under the circumstances I think it would be proper to have the promoter present to justify whatever action is to be taken.

The motion for third reading stands.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 19, an Act respecting the Canadian National Railways and to provide for the refunding of maturing and callable financial obligations.

He said: Honourable members, this is an important measure and should have some explanation at this stage. There matures this year only one obligation of the Canadian National Railways guaranteed by the Government of Canada. It amounts, I think, to seventeen and a half million dollars, or very close to that figure, and it matured on the 15th of this month. It was taken care of temporarily by a short-term loan at 2 per cent. Previously, obligations aggregating twenty and a half millions, which matured last December, were provided for by way of refunding at a rate which saved the National Railways, and therefore the Dominion, more than $200,000 a year. I think no further obligations fall due in 1935, but a large number of Canadian National loans guaranteed by the Government of Canada become callable this year. Perhaps I should give the House a list of those callable, and the terms.

There is an issue of 4½ per cent thirty-year bonds due on September 15, 1954, amounting to $26,000,000, callable this year at 102.

Hon. Mr. CALDER: That is optional, is it?

Right Hon. Mr. MEIGHEN: It is optional, but the Government is being empowered by this Bill to recall and refund.

Right Hon. Mr. GRAHAM: The holder can turn them in if he desires?

Right Hon. Mr. MEIGHEN: No; the Government has the option.

There is a Canadian National issue of 4½ per cent forty-year bonds, due December 1, 1968, amounting to $35,000,000 and callable this year at 103.

An issue of $60,833,333.33 of Grand Trunk 4 per cent perpetuals is callable this year at 100.

Hon. Mr. TANNER: When is that due?

Right Hon. Mr. MEIGHEN: It is due at a time when the honourable member will not be interested. It has no maturity—it is perpetual; but it is callable.

The next is $2,541,000 of National Transcontinental first mortgage bonds at 4½ per cent, due on the 1st of October, 1935, and callable at par.

Then there are the Mount Royal Tunnel and Terminal Company Limited 6 per cent first mortgage bonds due April 15, 1970, amounting to $952,893.33, and callable at 105.

An issue of the Grand Trunk Railway Company of Canada 7 per cent debentures due October 1, 1940, amounting to $23,740,000, is callable at 102½. It would appear to be the part of wisdom to call that.

Then, Canadian Northern Railway Company 7 per cent debenture bond issue, due December 1, 1940, amounting to $23,779,000, callable at 102½.

The total of these is $172,846,226.66. Should all be called, as would seem probable, and refunding arrangements be made on the basis of present rates dependably obtainable, the saving in interest would be somewhere over two and a half millions of dollars.

Hon. Mr. HUGHES: Where are the obligations payable?

Right Hon. Mr. MEIGHEN: Unfortunately—it is not unfortunate now, but it would have been—they are what we call three-way payments. I think they are all, or nearly all, payable in London, New York and Canada. This means that the bearer has three choices, depending on the exchange, and he picks the market that suits him. The new issues, needless to say, will be payable in Canada.

Hon. Mr. HUGHES: The holder has three options?

Right Hon. Mr. MEIGHEN: Yes. By this measure the Canadian National Railways are enabled to provide for refunding and to issue securities, and the Governor in Council is empowered to guarantee the securities on behalf of Canada and to provide for the deposit of proceeds in the Consolidated Revenue Fund or with the Minister of Finance, for the advancement of money from those proceeds to the railway company, and for the cremation of discharged bonds, stocks or other securities, as and when discharged.

Hon. Mr. COPP: They are all guaranteed now, are they?

Right Hon. Mr. MEIGHEN: All guaranteed. I think it is not contemplated that any other than those that are guaranteed shall be taken care of. So far as I know there are no unguaranteed or non-callable obligations maturing this year.

Hon. Mr. ROBINSON: Will those railway bonds sell at as high a price as Dominion bonds?

Right Hon. Mr. MEIGHEN: They have not sold at quite as high prices in the past, even though guaranteed, one reason being

that it took some time for that class of bond to reach its proper level in the market. Another reason was that the trustee laws of different countries, including our own for a time, were such that a government-guaranteed bond was not included in the highest classifications. But that has been changed here, and I think government-guaranteed bonds may now almost universally be purchased by trustees whose restrictions are the most rigid. Consequently this class of bond now sells at virtually the same price as bonds of a direct issue.

Right Hon. Mr. GRAHAM: Have the negotiations proceeded far enough for the right honourable gentleman to be able to tell us on what terms the Government expects to arrange this loan of $200,000,000?

Right Hon. Mr. MEIGHEN: I could not give the information. I can intimate to my right honourable friend, though, that we have in office now a Government which, if it did know, would not give out in advance to those with whom it is negotiating the terms on which it expects to conclude the bargain. I think to do so would be about as unwise a step as could be conceived of. We know what the Government has done—that temporary financing has been at two per cent, the lowest rate, I suppose, that Canada has ever obtained. And even though our credit has been affected by certain very unfortunate pronouncements made at two points in Canada in the last month, still the figure at which temporary financing has been done lately is probably the figure at which it could be repeated. One could not wisely say what we expect in connection with the next loan. The rate will depend upon how long we borrow for. Owing to governmental policies in different countries, especially in the United States, the market is now such that the shorter the term the lower the rate, the reason being the timidity of capital. It knows, or at least it feels, that it is better to take a very low rate now than venture on any enterprise involving considerable delay. It does not know that the present conditions will obtain five years hence, or even two years hence, and consequently it declines to take the low rate for a long time. Usually a long term brings a lower rate, but under present conditions it is quite the contrary. So all will depend upon, first, whether our credit is under attack, and, secondly, just how short a term we are ready to accept the money for.

Right Hon. Mr. GRAHAM: I did not suppose that the right honourable gentleman could give any intimation in advance, but I thought possibly the negotiations had reached such a point that the information could be made public as soon as the Bill went through, or thereabouts. Of course the market is in a peculiar state just now, and, as my right honourable friend says, present conditions have brought about a reversal in the relative prices of long and short term bonds. I never heard of any person giving advance information except perhaps once, and I am not sure it was given then. I once went to New York to negotiate a loan, and found very peculiar conditions there. They were caused, not by the Government, but by somebody who had been there and who made my work a little difficult. For various reasons I think the Government is taking a wise step in having this Bill put through so that it will be in a position to arrange for these refunding loans. I would mildly and inoffensively suggest that the right honourable gentleman need not worry about repayment, for he will not have anything to do with looking after that.

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

THIRD READING

The Hon. the SPEAKER: It is moved by Right Hon. Mr. Meighen that the Bill be referred to the Standing Committee on Railways, Telegraphs and Harbours.

Right Hon. Mr. GRAHAM: In view of the peculiar character of this Bill, why not have the third reading now? I am not desirous of third readings being given out of turn, but this is a measure with which we would not interfere in any circumstances. It is purely a money Bill, which has been passed in another place, and we should have no objection to the third reading being given now.

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill C, an Act for the relief of Mary Wynifred Bayford Bennett.

Bill D, an Act for the relief of Lillian Gurden McIntyre.

Bill E, an Act for the relief of Minnie Elizabeth Lyons Lafoe.

Bill F, an Act for the relief of Trevor Eardley-Wilmot.

PATENT BILL

CONSIDERATION BY COMMITTEE ON BANKING AND COMMERCE

Right Hon. Mr. MEIGHEN: I beg to move that when the House adjourns to-day it stand adjourned until Tuesday next at 3 o'clock in the afternoon. I may say it is the intention that the Committee on Banking and Commerce meet on Tuesday next immediately after the House adjourns. I believe it will be more convenient to some honourable members that the committee do not meet that morning, but it is important that we proceed in the afternoon. Therefore I should like honourable members to keep in mind that that will be the time the committee meets on Tuesday next.

Hon. Mr. BLACK: I should like to suggest that honourable members do not forget that the committee meets this afternoon immediately after the Senate rises.

The Senate adjourned until Tuesday, March 5, at 3 p.m.

THE SENATE

Tuesday, March 5, 1935.

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

Prayers and routine proceedings.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE AMENDMENT BILL

FIRST READING

Hon. Mr. CASGRAIN presented Bill G, an Act to amend the Combines Investigation Act and the Criminal Code.

Some Hon. SENATORS: Explain.

Hon. Mr. CASGRAIN: There is no explanation on the first reading. Honourable senators should know that.

The Bill was read the first time.

INCOME TAX COLLECTIONS, 1934

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What was the total amount collected from income tax in 1934?
2. How much of the above was collected from Ontario and Quebec jointly?
3. What is the estimated population of Ontario and Quebec jointly?
4. What is the estimated population of the rest of the Dominion?
5. What was the Government expenditure in Ontario and Quebec jointly?
6. What was the Government expenditure in the rest of the Dominion?
7. What was the expenditure per capita in Ontario and Quebec jointly?
8. What was the expenditure per capita in the rest of the Dominion?

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

1. $61,608,732.29.
2. $51,499,427.85.
3. 6,588,000 as on June 1, 1934.
4. 4,247,000 as on June 1, 1934.

5, 6, 7 and 8. No comprehensive information on these points is available. Most of the main items of expenditure, such as interest paid on debt, are not divisible by provinces.

PRIVATE BILL

THIRD READING

On the Order:

Third Reading of Bill B, an Act respecting Canadian Marconi Company.—Hon. Mr. Beaubien.

Right Hon. Mr. MEIGHEN: I do not know of any reason why the Bill should not pass third reading. In the absence of Hon. Senator Beaubien, I move the third reading.

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

DIVORCE BILLS

SECOND READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the second time:

Bill C, an Act for the relief of Mary Wynifred Bayford Bennett.

Bill D, an Act for the relief of Lillian Gurden McIntyre.

Bill E, an Act for the relief of Minnie Elizabeth Lyons Dafoe.

Bill F, an Act for the relief of Trevor Eardley-Wilmot.

PATENT BILL

CONSIDERATION BY COMMITTEE ON BANKING AND COMMERCE

Right Hon. Mr. MEIGHEN: I beg to move the adjournment of the House, and to advise honourable senators that the Committee on Banking and Commerce meets immediately after the adjournment.

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

THE SENATE

Wednesday, March 6, 1935.

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

Prayers and routine proceedings.

OTTAWA AGREEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 23, an Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: I have not yet read the Bill, and I do not know whether it is of such importance as to necessitate a long study.

Right Hon. Mr. MEIGHEN: It is just an extension for one year of the agreement, supplemented by legislation, under which the Government pays to the City of Ottawa $100,000 a year in lieu of taxes.

Right Hon. Mr. GRAHAM: That is an explanation on the first reading.

Right Hon. Mr. MEIGHEN: Yes.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill C, an Act for the relief of Mary Wynifred Bayford Bennett.

Bill D, an Act for the relief of Lillian Gurden McIntyre.

Bill E, an Act for the relief of Minnie Elizabeth Lyons Dafoe.

Bill F, an Act for the relief of Trevor Eardley-Wilmot.

PATENT BILL

CONSIDERATION BY COMMITTEE ON BANKING AND COMMERCE

Right Hon. Mr. MEIGHEN: In moving the adjournment of the House, I wish to apprise honourable senators that the Committee on Banking and Commerce meets immediately after the adjournment.

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

THE SENATE

Thursday, March 7, 1935.

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

Prayers and routine proceedings.

CUSTOMS AND EXCISE SEIZURES IN PRINCE EDWARD ISLAND

INQUIRY

Hon. Mr. SINCLAIR inquired of the Government:

1. Give the number of seizures of the following commodities: liquor, tea, sugar, silks, drugs or narcotics, with quantities of each under the Customs Act in Prince Edward Island, for each of the calendar years 1929, 1930 and 1931.

2. Give the same information as asked in Question No. 1 under the Excise Act.

3. Give the same information as asked in Questions Nos. 1 and 2 for each of the calendar years 1932, 1933 and 1934.

4. Give the number of men employed as preventive officers under the Department of National Revenue in Prince Edward Island for the years 1929, 1930 and 1931, showing name, rank and salary of each.

5. Give the number of R.C.M.P. employed in Prince Edward Island for the years 1932, 1933 and 1934, showing the name, rank and salary of each, also any other money received by them or free services extended.

6. Give the number of recruits added to the strength of the R.C.M.P. in Prince Edward Island since 1932, showing the name, former address and occupation of each.

7. What is the cost of the preventive force operating within the province of Prince Edward Island for each of the calendar years 1929, 1930 and 1931?

8. What was the amount collected during the years 1929, 1930, 1931, 1932, 1933 and 1934, in fines under the Customs Act and under the Excise Act, showing each separately yearly under each Act.

Right Hon. Mr. MEIGHEN: I have the answer to the inquiry, but it is of very great length. I ask leave to place the answer on the table.

Department of National Revenue

Customs Seizures

1.

Year	No. of seizures	Gallons of liquor seized
1929	78	1,272
1930	92	2,698
1931	110	1,903

No seizures of tea, sugar, silks, drugs or narcotics.

Excise Seizures

2.

Year	No. of seizures	Gallons of liquor seized
1929	23	132¼
1930	17	134⅞
1931	17	215⅛

Customs Seizures

3.

Year	No. of seizures	Gallons of liquor seized
1932 (January to March).	15	20
*1932 (April 1 to Dec. 31).	42	349
1933	91	2,143
1934	75	428

Excise Seizures

Year	No. of seizures	Gallons of liquor seized
1932 (January to March).	4	33⅜
*1932 (April 1 to Dec. 31).	9	30
1933	50	550
1934	49	293

No seizures of tea, sugar, silks, drugs or narcotics.

*Preventive Service transferred to the R.C.M. Police April 1, 1932.

4.

Name	Rank	Salary 1929	1930	1931
Barbour, G. H.,	District Chief Customs-Excise Preventive Service	$2,689 98	2,760 00	2,760 00
Leo Bradley,	Customs Excise Enforcement Officer	1,630 00	1,720 00	1,720 00
Martin, P. C.,	Customs Excise Enforcement Officer	1,290 00	1,410 00	1,440 00
Matheson, W. K.,	Customs Excise Enforcement Officer	1,290 00	1,410 00	1,440 00
Macdonald, J. R.,	Special Customs Excise Officer (Gr. 1)	.....	866 67	1,500 00
McGuigan, Rose,	Stenographer, Grade 2	650 32	1,080 00	1,110 00
McIntyre, J. J.,	Customs Excise Enforcement Officer	1,350 00	1,440 00	1,515 00
Platts, F. J.,	Customs Excise Enforcement Officer	1,350 00	1,440 00	1,509 44
Shaw, N. A.,	Customs Excise Enforcement Officer	1,350 00	1,440 00	1,515 00
McPhee, John J.,	Customs Excise Enforcement Officer	1,320 00	1,410 00	840 00
Connolly, R. E.,	Stenographer, Grade 2	577 50	.....	.....

5. Being answered by the Royal Canadian Mounted Police.
6. Being answered by the Royal Canadian Mounted Police.
7. Exclusive of salaries (See No. 4), 1929, $4,090.92; 1930, $4,955.29; 1931, $3,015.91.

8.

	Customs	Excise
1929	$4,275 00	$1,100 00
1930	3,710 00	360 00
1931	4,300 00	250 00
1932 (January 1 to March 30)	650 00	200 00
*1932 (April 1 to December 31)	2,525 00	150 00
1933	2,490 75	150 00
1934	3,050 00	125 00

*Preventive Service was transferred to the R.C.M. Police on the 1st April, 1932.

Royal Canadian Mounted Police,
Office of the Commissioner,
Ottawa, 26th February, 1935.

Question by the Hon. Senator Sinclair on page 2 of Minutes of the Senate No. 11.

The above mentioned senator asks eight questions, and as Nos. 3 and 8 deal with the number of seizures of certain commodities during the calendar years 1932, 1933 and 1934, and also with fines collected during the same years, this information in so far as the R.C.M. Police are concerned, has been sent to the Department of National Revenue to be included in a statement also being prepared by that department.

Questions Nos. 5 and 6 have to do with the strength of the Royal Canadian Mounted Police in Prince Edward Island, the number of recruits taken from that province since 1932, etc. Answers to questions 5 and 6 are, therefore, set forth below.

5. The following were employed in Prince Edward Island on the dates shown:

(a) 31st December, 1932—

Name—Rank—Salary

Fripps, J., inspector, $1,700 per annum.
Howard, A., staff-sergeant, $3.25 per diem.
Bradley, L., act. sergeant, $3 per diem.
Trainor, J. J., act. sergeant, $3 per diem.
Stephen, C. H. D., corporal, $2.50 per diem.
MacDonald, J. R., act. corporal, $2.50 per diem.
Ellison, R., act. corporal, $2.50 per diem.
Boudreault, P. L., constable, $2 per diem.
Cordwell, F. D. C., constable, $2.25 per diem.
Drummond-Hay, A., constable, $2 per diem.
Edwards, J. S., constable, $2.10 per diem.
Engel, K. H. W., constable, $2.25 per diem.
Heath, D. J., constable, $2.10 per diem.
Jay, P. L., constable, $2.05 per diem.
Keys, P. L., constable, $2.05 per diem.
Leard, S. W., constable, $2 per diem.
Lines, J. T., constable, $2.10 per diem.
MacArthur, C. W., constable, $2 per diem.
MacPhee, J. A., constable, $2.30 per diem.
Monaghan, W. J., constable, $2 per diem.
Shaw, N. A., constable, $2.25 per diem.
Watson, L. J. C., constable, $2 per diem.
Conrad, R., special constable, $140 per month.
Heather, C. W., special constable, $150 per month.
Haywood, W. E., special constable, $90 per month.
LeClair, R., special constable, $90 per month.
Lund, P., special constable, $115 per month.
Morris, F. P., special constable, $90 per month.
Munn, G., special constable, $90 per month.

(b) 31st December, 1933—

Name—Rank—Salary

Fripps, J., inspector, $1,750 per annum.
Howard, A., staff-sergeant, $3.25 per diem.
Bradley, L., sergeant, $3 per diem.
Trainor, J. J., sergeant, $3 per diem.
Stephen, C. H. D., corporal, $2.50 per diem.
MacDonald, J. R., corporal, $2.50 per diem.
Cordwell, F. D. C., act. corporal, $2.50 per diem.
Engel, K. W. H., act. corporal, $2.50 per diem.
Boudreault, P. L., constable, $2.05 per diem.
Cameron, J. C., constable, $2.05 per diem.
Deakin, C. F., constable, $2.10 per diem.
Drummond-Hay, A., constable, $2.05 per diem.
Edwards, J. S., constable, $2.15 per diem.
Hanna, T. S., constable, $2.20 per diem.
Haywood, W. E., constable, $2 per diem.
Heath, D. J., constable, $2.15 per diem.
Jay, P. L., constable, $2.10 per diem.
Leard, S. W., constable, $2.05 per diem.
Lines, J. T., constable, $2.15 per diem.
McArthur, C. W., constable, $2.05 per diem.
MacPhee, J. A., constable, $2.60 per diem.
Morris, P. F., constable, $2 per diem.
Monaghan, W. J., constable, $2.05 per diem.
Spencer, A. B., constable, $2.05 per diem.
Shaw, N. A., constable, $2.25 per diem.
Taylor, S. L., constable, $2.05 per diem.
Watson, L. J. C., constable, $2.05 per diem.
Swindell, W., constable, $2.05 per diem.
Jenkins, J. S., special constable, $100 per month.
Young, W. M., special constable, $90 per month.

(c) 31st December, 1934—

Name—Rank—Salary

Fripps, J., inspector, $1,800 per annum.
Howard, A., staff-sergeant, $3.25 per diem.
Trainor, J. J., sergeant, $3 per diem.
Bradley, L., corporal, $2.50 per diem.
Stephen, C. H. D., corporal, $2.50 per diem.
MacDonald, J. R., corporal, $2.50 per diem.
Ellison, R., corporal, $2.50 per diem.
Cordwell, F. D. C., corporal, $2.50 per diem.
Engel, K. W. H., corporal, $2.50 per diem.
Boudreault, P. L., constable, $2.10 per diem.
Cameron, J. C., constable, $2.10 per diem.
Deakin, C. F., constable, $2.15 per diem.
Doyle, J. W., constable, $2 per diem.
Drummond-Hay, A., constable, $2.10 per diem.
Edwards, J. S., constable, $2.20 per diem.
Hanna, T. S., constable, $2.25 per diem.
Haywood, W. E., constable, $2.05 per diem.
Heath, D. J., constable, $2.20 per diem.
Jay, P. L., constable, $2.15 per diem.
Keys, P. L., constable, $2.15 per diem.
Leard, S. W., constable, $2.10 per diem.
Lines, J. T., constable, $2.20 per diem.
Pooley, C. F. J., constable, $2 per diem.
McArthur, C. W., constable, $2.10 per diem.

Monaghan, J. W., constable, $2.10 per diem.
Morris, P. F., constable, $2.05 per diem.
Spencer, A. B., constable, $2.15 per diem.
Swindell, A., constable, $2.10 per diem.
Shaw, N. A., constable, $2.25 per diem.
Taylor, S. L., constable, $2.10 per diem.
Watson, L. J., constable, $2.10 per diem.
Gillis, E. A., engine room artificer, $2.75 per diem.
Ryan, E. J., ordinary seaman, $1.25 per diem.
Young, W. M., chief petty officer, $3 per diem.
Frost, J. E., chief engine room artificer, $3.75 per diem.
Jenkins, J. S., special constable, $100 per month.
LeClair, R., special constable, $75 per month.

Free services in addition to salary:

Commissioned officers.—Quarters, rations, or an allowance in lieu, dental and medical attention. Non-commissioned officers.—Uniform, quarters, rations or an allowance in lieu, dental and medical attention.

6. Recruits from Prince Edward Island.—No personnel have been engaged in Prince Edward Island and retained in that province since 1932, but the following were recruited since 1932 for duty elsewhere in Canada:

(a) 2nd May, 1933—H. Hyde, Murray Harbour, P.E.I.; previous occupation, seaman.

(b) 28th October, 1933—J. E. B. Hallett, Summerside, P.E.I.; previous occupation, student.

(c) 24th April, 1934—C. J. Ryan, 7 Richmond St., Charlottetown, P.E.I.; previous occupation, bookkeeper.

(d) 2nd May, 1934—P. R. Fleming, Stanley Bridge, P.E.I.; previous occupation, student.

(e) 7th June, 1934—M. F. Hagan, Kelly's Cross, P.E.I.; previous occupation, school teacher.

J. H. MacBrien,
Commissioner.

FARMERS' CREDITORS ARRANGEMENT BILL

FIRST READING

Bill 10, an Act to amend the Farmers' Creditors Arrangement Act, 1934.—Right Hon. Mr. Meighen.

CANADIAN FARM LOAN BILL

FIRST READING

Bill 15, an Act to amend the Canadian Farm Loan Act.—Right Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN.

NATIONAL RAILWAYS AUDITORS BILL

FIRST READING

Bill 20, an Act respecting the appointment of Auditors for National Railways.—Right Hon. Mr. Meighen.

OTTAWA AGREEMENT BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 23, an Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

He said: Honourable members, I yesterday gave all the explanation that I think this Bill requires. You will recall that under the last completed agreement the sum of $75,000 a year was to be paid to the City of Ottawa for services usually covered by taxes. In 1925 the agreement was extended to the 1st of July, 1930, and the amount authorized was increased to $100,000. The payment of this annual sum was authorized up to the 1st of July, 1934. The purpose of the present Bill is to enable payment to be made this year, and to extend the operation of the agreement till the first day of July, 1935.

Hon. Mr. DANDURAND: I am fairly familiar with this proposal, because we have been making this payment to the City of Ottawa for a number of years. The last time I had anything to do with such a measure it was my duty to ask for a three-year vote, and I remember that at that time I had considerable difficulty in convincing the Senate that the vote should be for three years instead of one. However, as I secured the sanction of the principle of payment for three years, I have no objection to this extension for one year.

Hon. Mr. MURPHY: Even with the passage of this Bill the agreement will terminate on the 1st of July.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. MURPHY: What then?

Right Hon. Mr. MEIGHEN: Then we shall be in the same position we are in now, before the Bill passes, and the matter will have to be dealt with next session. At present the Prime Minister is ill, but we hope that he will be better next session, and we shall then be able to deal with the matter more competently.

Hon. Mr. DANDURAND: And if he happens to be sitting on the other side of the House, we shall agree.

Hon. Mr. BARNARD: I suppose this amount includes payment for the smell of sulphite, and the chemical in the water.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill H, an Act for the relief of Ray Leitman Aronoff.

Bill I, an Act for the relief of Marie Philomene Florence Maher McCaffrey.

Bill J, an Act for the relief of Stuart Lewis Ralph Henderson.

Bill K, an Act for the relief of Charles Henry Campbell.

Bill L, an Act for the relief of Maria Elphinstone Hastie Kinnon.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: I beg to move that when the Senate adjourns to-day it do stand adjourned until Tuesday next at 3 o'clock.

I may say that the Committee on Banking and Commerce is far from having completed its labours on the Patent Bill, and one reason for calling the Senate together at the hour of 3 o'clock on Tuesday is that the committee may have a quorum and be able to start work in the morning. The nature and importance of a number of Bills introduced from the other House to-day are such that the Senate undoubtedly will have sufficient work ahead of it next week. Whether it has or not, the Committee on Banking and Commerce will certainly have plenty to do. That committee meets again at the close of this session.

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

THE SENATE

Tuesday, March 12, 1935.

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

Prayers and routine proceedings.

PURCHASES OF PAPER

INQUIRY

On the notice of inquiry by Hon. Mr. Parent:

How much money has been spent by the Government during the fiscal year 1933-1934 for the purchase of paper, showing:—

1. What quantity of newsprint, if any, has been bought, from whom and at what price?
2. What quantity of Kraft paper, if any, has been bought, from whom and at what price?
3. What quantity of higher grade of paper such as is being used for correspondence purposes, has been bought, from whom and at what price?
4. What quantity of any other class of paper, if any, has been bought, from whom, and at what price per ton or pound, as the case may be?

Right Hon. Mr. MEIGHEN: Stand.

Hon. Mr. PARENT: May I point out to the right honourable gentleman that most of the information asked for by this inquiry can be found in the Auditor General's report, and I fail to see why it takes such a long time to get an official answer.

Right Hon. Mr. MEIGHEN: I do not know just what the reason is, but no doubt it is sufficient, for I have not as yet been able to make a well-founded complaint with respect to delay. I will have the answer hastened.

The inquiry stands.

OTTAWA AGREEMENT BILL

THIRD READING

Bill 23, an Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.—Right Hon. Mr. Meighen.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE AMENDMENT BILL

SECOND READING POSTPONED

On the order:

Second reading of Bill G, an Act to amend the Combines Investigation Act and the Criminal Code.—Hon. Mr. Casgrain.

Right Hon. Mr. MEIGHEN: Stand.

Hon. Mr. DANDURAND: The honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) has asked me to move that this order be discharged and be placed on the Order Paper for to-morrow. In doing so I may say that on looking at the Bill for the first time I find that, contrary to our rule, the clauses which it is sought to amend do not appear on the page opposite the text of the

Bill. Perhaps the Bill can be reprinted in conformity with the regulations, so that we may know what it means, without having to look up the statute.

Right Hon. Mr. MEIGHEN: The Bill is entitled "an Act to amend the Combines Investigation Act and the Criminal Code." I cannot see wherein it amends the Criminal Code.

Hon. Mr. HARMER: No.

Hon. Mr. MURDOCK: It proposes to strike out section 498, I think.

Hon. Mr. BELAND: Let it stand until the honourable senator (Hon. Mr. Casgrain) is here.

Right Hon. Mr. MEIGHEN: I do not see where it is mentioned.

Hon. Mr. DANDURAND: If due attention is given to my suggestion as to observing the rule of the Senate which calls for the printing, on the opposite page, of the clauses to be amended, then we shall know exactly what the Bill covers.

Right Hon. Mr. MEIGHEN: I find I am wrong. Section 4, on page 2, proposes to amend the Criminal Code.

The order was discharged.

FARMERS' CREDITORS ARRANGEMENT BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 10, an Act to amend the Farmers' Creditors Arrangement Act, 1934.

He said: Honourable members, this Bill amends in four particulars a very important Act passed by Parliament last session, constituting a mechanism for the rearrangement of the debts of distressed farmers throughout the Dominion. It perhaps is fitting that I give a brief account of the operations of the Act, but before doing so I will indicate the character of the amendments sought to be made by the present measure.

The first amendment provides that where a farmer makes a proposal to an official receiver for a rearrangement of his debts, there shall be a stay of 90 days from the date of his making the proposal, instead of 60 days as under the present law, of all proceedings by persons who have claims against him. The reason for the change is this. The official receivers, who have been very busy because of the large number of applications, have found it necessary to apply for extension of the stay in many cases, and this has interfered with their chief work. In other words, the stay of 60 days has proved too short, considering the pressure under which the receivers have to work. Moreover, the present law permits only one application for extension of the stay, and it is thought advisable to provide for more than one such application. Of course, under the law as it stands, and as it will stand if this Bill passes, a judge, after hearing representations by a creditor and the reply of the farmer thereto, may if he thinks fit make an order that the stay be terminated at any time, or that there be no stay at all.

Hon. Mr. HUGHES: A county court judge?

Right Hon. Mr. MEIGHEN: Yes, I think so. The next clause of the Bill is to cover the case in which one of the three members of the Board of Review is unable to act. It will be recalled that in each province there is a Board of Review which sits and determines cases where it has been impossible for the official receivers to effect settlements. The Board has power to amend, and power to make the finding of the court binding on all the creditors and the debtor.

Hon. Mr. BELAND: How are the services of that Board made available to farmers?

Right Hon. Mr. MEIGHEN: By the Act.

Hon. Mr. BELAND: But in the province of Quebec, for instance, does the Board sit in every judicial district or in Quebec, Montreal and Sherbrooke only?

Right Hon. Mr. MEIGHEN: The Board of Review has sat in every province except Prince Edward Island, British Columbia, Nova Scotia and New Brunswick. I will later give the honourable senator these particulars.

I was explaining the provision covering the event of one of the members of the Board of Review not being able to act. The chairman must be a judge having jurisdiction ordinarily in bankruptcy. The other two members are chosen in accordance with the provisions of the Act, one of them representing the creditors and the other the debtor. The amending provision is to the effect that if one of these two members cannot act someone can be summoned to do so ad hoc by the other commissioners. If the Chief Commissioner cannot act, then an ad hoc chief commissioner can be appointed by the Minister. It is considered that, the Chief Commissioner being a judge of the standing I have described, it would hardly be right to enable the other two commissioners to choose a substitute.

The fourth clause changes the words "approved by" to "filed in." These words had

and have respectively application to a Board of Review finding. In the Act the finding is described as being the approval of a proposal. Now the finding is to be filed in the court, and therefore sets at rest any doubt as to whether or not a judge could alter a finding. It was never the intention that he could. The finding of the Board of Review is final.

The last clause provides that the Board may delegate one of its members to deal with and make a report upon the circumstances of any particular case. This is found necessary also because of the multiplicity of applications. Only the full Board can deal with it, but the members can apportion the work among themselves in this way. One of them makes a report to the full Board, and thereby expedites the decisions in all this long range of cases.

This Act was called into effect in September, but it did not get well under way until, say, November of last year. To the end of February about 2,000 arrangements have been made.

Hon. Mr. HUGHES: In all Canada?

Right Hon. Mr. MEIGHEN: Yes. I believe the figure given in the other House was 1,000, but the month of February has been very prolific, and up to the beginning of this month the number of cases had risen to 2,000.

There have been over 16,000 consultations between official receivers and farmers. Up to the present there have been approximately 4,500 specific proposals. Many settlements have been effected voluntarily. After consultation with official receivers creditors and farmers have been able to agree without going through the formality laid down by the Act.

In Quebec 763 cases were reported to the Board, 97 of which were heard by the Board. In Ontario 228 were reported and 106 heard. In Manitoba 141 were reported and 51 heard. In Saskatchewan 222 were reported and 90 heard. In Alberta 276 were reported and 102 heard. Honourable senators will note that I use the words "heard by the Board." These are the cases that did not come to final settlement before the official receiver; they had to go to the Board. Up to the time this computation was made 446 cases had been settled by the Board out of 1,650 reported to them.

The number of proposals received as of March 2 is given me as 3,585. I have since learned that that number is considerably increased by later reports. Then a certain number of assignments have been effected under the Act. Honourable senators will recall that in addition to providing the mechanism for arranging settlements the Act provided that in a desperate case the farmer could use the official receiver as assignee and make an assignment.

Hon. Mr. GILLIS: There were many cases where settlements were arrived at between debtor and creditors without appeal to the Board at all.

Right Hon. Mr. MEIGHEN: Yes, a great many cases.

Hon. Mr. GILLIS: There is no record of the number of those cases?

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. DANDURAND: How many assignments were made?

Right Hon. Mr. MEIGHEN: Only 102. There were 26 made in Alberta, 40 in Saskatchewan, 17 in Manitoba, 9 in Ontario, 5 in Quebec and 5 in New Brunswick.

Parenthetically, I might state there seems to be some question whether or not this Act goes so far as to displace the present bankruptcy law in Quebec, or even our own bankruptcy law, to the extent of enabling a farmer to resort to bankruptcy. The Quebec law does not so enable him. We may have to consider in committee whether it would not be well to make it plain that the Dominion is exercising its jurisdiction in bankruptcy, which is a jurisdiction concurrent with provincial judisdiction, but displacing it where the Dominion seeks to occupy the field. The committee may have to take into account the wisdom of making clear that this Act becomes the paramount law, enabling the farmer in Quebec, as elsewhere, subject to such conditions as may be deemed wise, to avail himself of bankruptcy proceedings.

The Act came into effect on September 1 in Manitoba, Saskatchewan and Alberta; on October 1 in Quebec and Ontario; on November 1 in Prince Edward Island, Nova Scotia, New Brunswick and British Columbia.

The numbers of official receivers are as follows: Prince Edward Island, 3; Nova Scotia, 7; New Brunswick, 7; Quebec, 38; Ontario, 49; Manitoba, 9; Saskatchewan, 22; Alberta, 20; British Columbia, 13;—total 168.

The remuneration of official receivers is at the rate of $150 per month, with the exception of the chief official receiver in Quebec, Saskatchewan and Alberta respectively, where the remuneration is $250 per month.

One official receiver in Quebec has as many as 25 settlements now before him; one in Alberta has 30.

I have here a list of the receivers and the places of sitting; but at the moment I do not appear to have before me a list of the places where the Board of Review sat—which is what the honourable senator (Hon. Mr. Béland) wanted to know with reference to the province of Quebec. I shall give that

information later. Meantime I may give some further data.

The 16,000 interviews between receivers and farmers have been distributed as follows: British Columbia, 340; Alberta, 3,230; Saskatchewan, 3,900; Manitoba, 1,250; Ontario, 2,700; Quebec, 4,500; New Brunswick, 420; Nova Scotia, 75, and Prince Edward Island, 300. It would seem that Maritime rights had met with some success, at all events in Nova Scotia, where there is a very marked minimum of proposals under this Act.

Perhaps it will save the time of the House if I conclude my remarks for the present, and leave until later the information regarding the places where the Board has sat.

Hon. RAOUL DANDURAND: It is somewhat early to express an opinion with regard to the value of the Act, as it is hardly six months since it went into operation. I have heard some criticism from the province of Quebec as to the damaging effect this legislation may have on the farming community as a whole, but I have no special data to offer this Chamber.

My right honourable friend speaks of the possible necessity of enlarging the scope of the Act in order to make sure that the farmers of the province of Quebec may use its mechanism to settle their difficulties.

Right Hon. Mr. MEIGHEN: Only with respect to bankruptcy. There is no doubt that the farmer of Quebec, like the farmer of any other province, can utilize the Act for the rearrangement of his debts.

Hon. Mr. DANDURAND: If he does it voluntarily.

Right Hon. Mr. MEIGHEN: In that respect the machinery is complete, and that power is not doubted. The doubt is as to whether he can avail himself of the special provision for bankruptcy in making an assignment.

Hon. Mr. DANDURAND: He is debarred from coming under the Bankruptcy Act.

Right Hon. Mr. MEIGHEN: In Quebec.

Hon. Mr. DANDURAND: I think we eliminated him some years ago at the general request of the authorities of Quebec, and before he is restored I should like to obtain some information from that province.

Right Hon. Mr. MEIGHEN: I can give the information asked for by the honourable gentleman (Hon. Mr. Béland) now. In the province of Quebec the Board of Review has sat in Montreal, Hull, Quebec City, Joliet and Sherbrooke; in Ontario it apparently sat only at Toronto; in Manitoba it sat at Hamiota, Souris, Melita, Dauphin and Winnipeg; in Saskatchewan at Saskatoon, Regina and Yorkton; in Alberta at Calgary, Edmonton, Lethbridge and Medicine Hat.

Hon. Mr. DANDURAND: I understand the Bill will go to the Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: On Banking and Commerce.

Hon. RODOLPHE LEMIEUX: Honourable senators, before it receives its second reading I wish to register my protest against this legislation. It is, in my humble judgment, only an invitation to farmers generally to secure arrangements with their creditors, and, in many instances, to refuse to meet the interest on their mortgages although they can well afford to pay. This means the destruction of valid contracts which have been made between creditors and debtors. According to information that I have received, in certain districts some farmers have simply refused to have anything to do with their creditors; they are awaiting the bounty of this law in order to escape their just responsibilities. It seems to me, and I say it very sincerely, that the best way to remedy the ills of the farmer is not to destroy his credit—and that will be the final result of this legislation—

Hon. Mr. BELAND: Hear, hear.

Hon. Mr. LEMIEUX: —but that the best way to help him—and we are all agreed on doing that—is to give him a tariff under which he can live, and which will make it easier for him to reach markets for his products, markets which at the present time are not available to him.

I am not opposed to the farmers; far from it. We in our old province are all the descendants of farmers. Our forefathers were all tillers of the soil and growers of wheat, as are the people of the West. I am not saying anything against the honesty of the farmers; far be it from my mind to do so; but I say this Bill is an invitation to them to avail themselves of a law which will deprive some persons of their honest due. I have information in this regard. I happen to be a member of a loan company. We hear from some of the debtors that they cannot afford to pay, but a little investigation by the judges, as we call them—I think that in the West justices of the peace or judges of the county court generally preside over this arrangement—discloses the fact that the debtors could pay part, at least, of the amount owing, and that with a moratorium of some kind they could afford to pay the

whole of it. Surely the farmers throughout Canada are not so wholly ruined as to have the right to claim that they should not pay. I say that by this legislation we are giving the Canadian farmer a bad name, and are encouraging him to destroy his credit—a very unfortunate thing, not only for him but for the whole country. The only solution of the whole difficulty in which we find ourselves to-day is a sound fiscal policy. Why do you raise your tariffs? Why do you restrict the markets of the farmer?

Right Hon. Mr. MEIGHEN: Who restricted them?

Hon. Mr. LEMIEUX: The fiscal policy of the Government.

Right Hon. Mr. MEIGHEN: The restrictions all took place five years ago. There have been none since.

Hon. Mr. LEMIEUX: Oh, if I were to cite the latest tariff increases my right honourable friend would be surprised at the ingenuity he exercised when he sat in the Government which restricted markets and raised the tariff. The Ottawa accords with London are replete with evidences that the tariff has been raised and markets have been restricted.

The cure of the ills of the farmer is a return to a sane tariff policy and a restoration of markets. In that way, and that way only, will the farmers become prosperous, and freed of the necessity of invoking a law which, to my mind, permits confiscation and is detrimental to a very important class of our people.

Hon. J. A. CALDER: Honourable members, as the leader on the other side of the House (Hon. Mr. Dandurand) has said, this legislation is of such a character that time alone can make known the benefits that will flow from it. No doubt it is entirely new legislation, and one cannot tell at the present time what the general effect of it will eventually be.

I am not going to agree with my honourable friend who has just pointed out certain dangers. We had in Canada a situation that had to be met. The farmer is not a dishonest man. The very fact that hundreds, probably thousands, have reached voluntary agreement with their creditors is evidence of the practical working out of this Act. What has been the situation? I will speak only for my own province. We have thousands upon thousands of farmers who, in the ordinary sense, are absolutely bankrupt, not by reason of the tariff, but simply in consequence of grasshoppers, frost and drought. The tariff has had nothing to do with the situation at all. I say that thousands of those people, if they put their assets on one side and their liabilities on the other, would be shown to be absolutely bankrupt. What good would it do a loan company or anybody to insist upon the full pound of flesh? The farmer cannot pay it. And more than that, if the farmer is required to pay be cannot stay on the land. If the creditor insists upon his principal or interest, there is only one thing to do, and that is to put the sheriff in and throw the farmer off the farm. Well, I am sure my honourable friend does not desire that to be done. What would become of Canada if we tried to deal with this situation under laws of the past? The result would not be very good for this country, as everybody knows. Consequently this legislation was passed last session, with the object of meeting a most difficult situation, one that had to be faced if our farmers as a whole were to have a chance to live in the future.

I should like to say a few words about the tariff, which has been referred to by my honourable friend from Rougemont (Hon. Mr. Lemieux). He probably has not been following recently the activities of his good old friend Lloyd George. What did Lloyd George say lately, on two occasions? About a month or six weeks ago he intimated that Great Britain should raise her tariff, and the other day he came out with the declaration that Great Britain should adopt the highest tariff she possibly can, as a weapon with which to fight countries that will not trade freely with her. That is his view of to-day.

Hon. Mr. LEMIEUX: But not of yesterday.

Hon. Mr. CALDER: No, of to-day. Why?

Hon. Mr. LEMIEUX: Because he wants to join the Government.

Hon. Mr. CALDER: Simply because he realizes the situation that exists throughout the world. Every country has put up a high tariff. Great Britain was not in a position to trade freely with any other country; consequently she has changed her tariff policy. She has done so in order to have a weapon for use against any country that uses a tariff against her. The fact is not that Lloyd George is not a free trader. Nor are the people in Canada unwilling to trade more freely with other countries. But are we going to lower our tariffs and let every other nation ship their goods here, when we cannot ship ours to them? I say no.

Hon. Mr. PARENT: What country is going to be the first to do away with its tariff?

Hon. Mr. CALDER: I suppose the view of my honourable friend is that we should be made the dumping ground of the entire world. I do not agree with that view. The situation that we have in Canada has nothing at all to do with tariffs. It is the result, in the first place, of a world-wide depression, and, in the second place, of peculiar conditions that have existed in Canada. This legislation is experimental. There is no question at all as to its necessity. I do not know that we all would agree on its terms, but something had to be done to meet a very difficult situation. The fact that the Act has been operating so smoothly thus far is an indication that it points in the right direction.

Hon. W. A. GRIESBACH: Honourable senators, I wish to say just a few words on the operation of the Act in the province of Alberta. It may be said that the result of the compromises that have been brought about in the last six months and to which the parties concerned agreed, though probably with wry faces, is that the situation is no worse now than it was under the conditions to which reference has been made. That is to say, drought, grasshoppers, frost, hail and other factors left the farmer with liabilities in excess of his assets, and a man who had a mortgage on a farm would have been delighted to get 50 cents on the dollar.

Hon. Mr. CALDER: Hear, hear.

Hon. Mr. GRIESBACH: I do not know of any mortgagee, of any lender of money, in the province of Alberta who would not be glad to get 50 cents on the dollar for his principal and accumulated interest. Many a creditor would be glad to wipe out the interest and take half the principal in full settlement. The official receivers and the board have brought about settlements which are no worse than the situation resulting from conditions to which I have referred. When this legislation came down last year I agreed to it, because I thought it probably would work out that way. It is having its effect of freeing farmers whose liabilities are greater than their assets, and who did not know what was to become of themselves. They have been heartened, they are taking a brighter view of things and deciding to stay on the land; and on the other hand, through adjustments made under the Act, creditors are getting as much as they could hope to get in any event. I think that among debtors and creditors who have been concerned in these settlements, or who expect to be, and indeed among all classes in the province, including business men, there is a general feeling that the Act is working as well as it can be expected to work, and that under present conditions it is sound legislation.

Hon. A. B. GILLIS: Honourable senators, I should like to endorse the statements of the honourable senator from Saltcoats (Hon. Mr. Calder) in connection with this legislation. While unfavourable conditions in regard to mortgages probably exist throughout Canada, the situation in the Prairie Provinces is a little more serious than in other parts of the country. This Act was received by the people of Western Canada with great enthusiasm. They felt that it would give a chance to hundreds and thousands of farmers who had given up hope of ever being able to succeed, or ever being able to pay off their liabilities; that it would bring them relief and enable them to see daylight ahead. This has proved to be the case.

As I mentioned a moment ago, there are hundreds and probably thousands of cases where a settlement has been arrived at between a debtor and creditors without an appeal to any board. The mortgage companies are eager to have settlements made even at 50 cents on the dollar, and probably less, because they have very little hope of ever being able to obtain payment of the total indebtedness to them. Interest had been piling up year after year, and many accounts were absolutely hopeless. This Act will, I think, relieve the situation considerably. The Government is to be complimented upon the action it has taken in entering into what is really a new field of legislation. Some people say it is more or less Socialist legislation, but I do not care what it is called so long as it relieves the situation, particularly in Western Canada.

My honourable friend from Rougemont (Hon. Mr. Lemieux) referred to the tariff. What in the world has the tariff to do with the ordinary farm mortgage? The honourable gentleman urges us to throw off protection and open up our country to producers of the world. But where should we find markets for Canadian products? What country would lower its tariff to permit the entry of our goods? No country at all would do that. The only possible chance of benefiting our farmers is through legislation of this character, for it will assist the people who are engaged in our basic industry. This is one of those Acts that will materially help Canadian farmers to remain on their land, pay off their liabilities, and develop and prosper as they ought.

Hon. LUCIEN MORAUD (official translation): Honourable senators, as a representative of the province of Quebec, I should like to add a few words to what

has already been said in this respect by some of my honourable colleagues. This does not represent a new step in that direction for us, because the Quebec Government has already passed a similar law, which allows a debtor to delay the payment of the principal he owes his creditor, notwithstanding any agreement between them, on the debtor applying informally to a judge of the Superior Court. We call it the Moratorium Act.

In respect to the legislation now before us, it may not be perfect, but we should nevertheless greet it with open arms. It allows our farmers to escape from the disgrace of bankruptcy, as well as the heavy expenditure involved in our province in bankruptcy proceedings. It affords our farmers, who, unlike their brethren from the cities, cannot easily come into contact with their creditors, a chance to meet the latter before an arbiter called the registrar, to explain their situation to the creditors, to talk matters over together and try to obtain a settlement advantageous all around, which will allow the farmer to remain on his farm with his numerous children. If the creditors are too exacting, or the debtor-farmer's offers are too low, and an arrangement is impossible, the case is referred to what is called a Board of Review. This court, in the province of Quebec, has been most happily chosen. The presiding judge is a man of wide experience and is gifted with a most desirable quality: he is humane. The creditors' representative is a merchant who has dealt all his life with the farming community and still does. The farmers' representative is especially well qualified for the post. Not only is he a farmer himself, from a colonization district, but, moreover, his industry and talent have earned for him the title of doctor in agriculture from one of the most reputable colleges in the province of Quebec. So far, this court has given entire satisfaction to the farmers.

Consequently, this Act will allow our farmers to escape from the disgrace of bankruptcy, for our people still consider bankruptcy as a disgrace; it will allow them to save their farm, which, in many cases, came to them from their ancestors, and to keep there their large family, by giving them a chance to meet their creditors freely and to arrive at a compromise that is mutually advantageous. Therefore I repeat that this Act, although it is not yet perfect, should be cordially welcomed by all the representatives of our province in this House.

Hon. Mr. SINCLAIR: May I ask the right honourable leader a question? It has been stated in the press that the Farm Loan Bill is a companion measure to the one now under consideration. I should like to inquire if under the Farmers' Creditors Arrangement Act debts are to be so adjusted that they can be met by loans which will be made available to farmers by the Farm Loan Board. If that is not so, I do not know where farmers will get any new loans.

Right Hon. Mr. MEIGHEN: They are companion Acts, of course. But surely the honourable gentleman is not serious in suggesting that the Farm Loan Board should in every case provide sufficient money to enable a farmer to pay his debts.

Hon. Mr. SINCLAIR: No, I did not suggest that.

Right Hon. Mr. MEIGHEN: There is a suggestion involved in the question. The honourable senator should know that no Bill could possibly make such a provision. Bill 15 provides for a certain measure of assistance to farmers by way of loan. This Bill provides for adjustment of debts. Necessarily one Bill assists the other, but the measure before us merely contains four important, but by no means very important, amendments.

I have more sympathy with the honourable senator from Rougemont (Hon. Mr. Lemieux) than perhaps would be indicated by some of my speeches up to now, in respect of his solicitude for the maintenance of a proper psychology in this country towards the meaning of a contractual obligation. One would little have thought even ten years ago that we in this country should come to that casual, unanchored attitude which seems to be only too prevalent to-day towards the sacredness of an obligation. When we see what is taking place in more parts than one of this Dominion, we begin to wonder just what is the basis of civilized society. We begin to wonder whether, after all, when a man engages to do something, he ought not to be compelled to do it to the utmost of his power, or whether he should be put in a position to say: "Well, it is more convenient for me not to do so. I shall have to deprive myself of something if I do my utmost. Inasmuch as there is a new doctrine that human rights are above property rights, why shouldn't I have my human rights and let property rights go?" That is a very prevalent attitude to-day, and we ought to be very careful that we do not by any legislation give encouragement to it in the mind of the individual. Once we cut adrift from the anchorage of an honest endeavour to secure the utmost in the power of every single debtor to discharge his just obligations, then we are moving towards the disintegration of society.

Hon. Mr. BELAND: Chaos.

Right Hon. Mr. MEIGHEN: Yes. One looks to the West and finds a doctrine seems to have taken root there that a debtor can himself determine just what he is going to do with his creditors—that he can decide the extent to which he will interfere with his own convenience in the discharge of his solemn obligations to those from whom he borrowed money. If it suits his convenience to stop at payment of 1 per cent, he will stop there; if he can without too great inconvenience, he will go to 3 per cent; if he has to do without hospital extensions or new capital investments by going beyond the 3 per cent, why, he will just stop there and invoke the doctrine of human rights to discharge him from his obligations as a citizen. We do not need to go to the far West. Right near home we can see much the same illustrations—in fact, less frank, and therefore less creditable than those we are witnessing on the Pacific coast. Just let this doctrine from high places permeate throughout the length and breadth of the Dominion, and we can make up our minds that we are over the precipice and on the down-grade—and we are not, I may say, so far from it as some perhaps think.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: But is that principle which the honourable member so stoutly defends at stake here? If I thought it was, and we were seeking to imperil it, I should not be supporting this legislation. I should feel more happy indeed at this moment supporting that principle by legislation than even defending this Bill. But it has always been a principle of our law, and, as far as I know, of the law of all countries, that where the stage is reached of incapacity to pay, some equitable machinery must be provided whereby the amount to be paid shall be determined independently of the debtor, by someone competent to judge of all the circumstances, not for the benefit only of the debtor, but for the benefit of his creditors too, in order that the energies and capacities of the debtor may be released once again to enable him to make his way in the world, instead of his being shackled, to the destruction of his creditors along with himself.

Such is the very base of our bankruptcy law; such is the base of the bankruptcy and insolvency law of every country. It is applicable now all over the Dominion to traders only. I cannot imagine why it would be more morally deleterious to the farmer than to anyone else. He should be discouraged from getting into the position of insolvency, but once he is in it to the extent that he is to-day because of calamities that have beset him in the last few years, surely he is entitled to some cheap and fair means of extricating himself, in the same way as others are entitled to extricate themselves in similar circumstances. That is the whole purport of this Bill. He is not to be told by any tribunal, "You are able to pay $10,000, but we will let you off with payment of $8,000 because of this new law of human rights." He has to pay all he is reasonably capable of paying by the exercise of all his efforts. That is the basis of the legislation. That, we claim, is better for the debtor and for the creditor, and I think the legislation has been welcomed by the loan companies and loan societies of this country.

Now, the honourable senator says the way to assist the farmer is not to help him out of difficulty; it is to keep him away from it. That is quite true. And he says, "Find him markets, and he will be able to extricate himself." This also is true, if ample markets can be found. "But," he says, "you put up tariffs, and thereby you shut him off from his markets." Our tariffs never shut any farmer off from his markets. The tariffs of other countries do, I admit; but ours do not. Our tariffs have enlarged his markets. Only to the extent that our tariffs did provoke high tariffs in other countries could we be said to restrict the farmer's markets in other countries. Have our tariffs restricted the farmer's markets abroad?

What are the tariffs in other countries we now deplore as standing in the way of our farmers? The first I call to mind is the Hawley-Smoot tariff to the south: 2½ cents on small cattle, 3 cents on large cattle—$30 on a steer of 1,000 pounds. That shut the gateway to 200,000 of our cattle going south. When was that tariff barrier raised by the provocative tariffs of the Canadian Government? It was raised in the late fall of 1929—when my honourable friend's friends had been in office seven years. Surely, as Speaker of the House of Commons, he was not a party to any provocative act of the Government of the day! Surely my right honourable friend opposite me, the right honourable senator from Eganville (Right Hon. Mr. Graham), was not a member of a Government so provocative in its tariffs as to raise the Hawley-Smoot tariff against the farmers of Canada! Surely the honourable senator immediately opposite me (Hon. Mr. Dandurand) did not so raise Canadian tariffs as to provoke the United States to shut the cattle of Quebec out of the American market!

That is exactly what the United States did. When was 42 cents a bushel put on Canadian wheat going into the United States? It was during the regime of my honourable friends opposite. Now, what provocative action were they guilty of? Surely something lies on their conscience! It is not apparently on the conscience of the honourable member, for he says it is our provocative tariffs that have done this thing. They were not our tariffs; they were his: he and his party were in office.

When was the tariff in France raised against Canadian wheat? When the honourable member and his friends were in office. When was the tariff in Germany raised against our wheat, virtually, indeed entirely, shutting it out? When the honourable gentleman and his friends were in office. When was the Australian tariff raised against our farm products? When the honourable gentleman and his friends were in office.

Now does he like to be arraigned and found guilty of being the persecutor of the farmers of Canada because he had provocative tariffs put into effect which resulted in virtually every country in the world shutting its door to the Canadian farmer? I do not know of any country where tariffs have been raised since 1930, but I do know of some countries where they have been lowered. And I know why they were lowered, and why we have had greatly extended markets which have benefited the Canadian farmer, not trivially, but to the extent of tens of millions of dollars. I have in mind particularly the bacon market in England for the Canadian farmer. This was provided by the Ottawa agreements, which the honourable gentleman seems to deplore. It is a bacon market of 280,000,000 pounds, of which even yet we have absorbed only about a third. Two-thirds are still to be absorbed, and will be just as soon as we produce bacon of a quality to attract that market. As a consequence of that outlet for Canadian bacon, accentuated by the policy of the British Government in raising bacon prices, our farmers are getting to-day 7·75 cents a pound for bacon; and in the past year and a quarter they have got as high as 9 cents a pound for their pork. That has meant tens of millions of dollars in the pockets of the farmers of this country. Is it not better to get something when you give something? That is what we got when we gave—and what we gave was not at the expense of the farmers of Canada. I could go much further. What is the condition of our apple market to-day? I do not think my honourable friends had provocative tariffs in that connection. Is that market now contracted by provocative tariffs? It has expanded. We get access for our fruit products to-day to a far greater extent than we have had for a generation. The apple growers benefit accordingly.

The honourable gentleman opposite says we ought to provide a marketing mechanism—machinery to get our products to market. Why, this Parliament just a year ago erected such machinery. Our Marketing Act is that machinery. What has been the test of time in regard to it? To-day, by voluntary action on the part of the producers in seven different lines of farm products, the machinery of that Act is in vogue, and the general verdict is that it is benefiting the farmers of Canada. This is practical legislation. This is not harking back to the old fetish that has been exploded again and again, until we are all tired of tariff discussions. It is something done for the farmers. They are reaping the benefit, and they know it.

So in these respects we have not been negligent of their interests; there has been more accomplished than in a long period of years previously. The present Bill gives to the farmer, at a low cost, some of the facilities that have long been given to other citizens of our country.

Right Hon. GEORGE P. GRAHAM: Honourable members, I think my right honourable friend's enthusiasm indicates that his action of some years ago on the reciprocity proposals is still bothering his conscience. One of our difficulties with the United States arose over the conduct of the electors of Canada when they denied a vast number of people the benefit of securing markets that were offered to them, not by tariffs, as my right honourable friend almost said, used as bludgeons to bring better terms, but by a treaty between Canada and the United States, which this country turned down for party purposes solely, to my mind.

Some Hon. SENATORS: Hear, hear.

Some Hon. SENATORS: Oh, oh.

Right Hon. Mr. GRAHAM: That is when we had most trouble about tariffs. If my right honourable friend is right that high tariffs are good for international trade—

Right Hon. Mr. MEIGHEN: I did not say that.

Right Hon. Mr. GRAHAM: He is arguing for something he does not think is right?

Right Hon. Mr. MEIGHEN: I did not say that at all. You misunderstand me.

Right Hon. Mr. GRAHAM: My right honourable friend defended high tariffs.

Right Hon. Mr. MEIGHEN: No, he did not.

Right Hon. Mr. GRAHAM: Honourable gentlemen around him thumped their desks—and they are all high tariff men. If they be right, every leading economist in the world must be wrong. We read that the leading bank presidents and bank managers, the leading economists throughout the world, and the outstanding men of the churches are all of the opinion that until the countries of the world outgrow their national conscience and cultivate an international conscience, and are ready to adopt the golden rule, to trade with one another for mutual benefit, we cannot expect any great recovery in our trade and commerce. I did not intend to say a word about this, but my right honourable friend became so enthusiastic that I had to. I am led to think back to the time when I was told on the platform that I was disloyal if I wanted to trade with the United States, and was asked under what flag I wanted to be, and all that sort of thing.

Some Hon. SENATORS: Oh, oh.

Right Hon. Mr. GRAHAM: Of course the younger men do not remember that, and some of those who do would like to forget it. Even the Government itself would like to forget it, because it is trying to make a reciprocity treaty, and only a few years ago that was disloyal.

I do not wish to say anything more. Like the right honourable gentleman, I could talk at great length along this line, but I want to bring him back to the realities of life, and to get away from theoretical mysticisms.

Right Hon. Mr. MEIGHEN: Like the price of pork.

Right Hon. Mr. GRAHAM: What really injured the price of pork and bacon in the Old Land was the fact that those who had the conduct of the War allowed our bacon, which was of a superior quality, to be classed with inferior bacon, and priced accordingly. I know from experience that you could not buy a pound of Canadian bacon in London unless you bought with it a pound and a half of the inferior bacon. That did more to hurt our bacon market than any tariff, because at that time there was very little tariff.

Now, to get away from the tariff for a moment. One of the difficulties that lenders of money encounter just now is this. There was a time when, if a man took a mortgage on a farm, he could recover approximately the amount of his loan; but to-day the value of the farm is not sufficient to make that possible, because the farm is not producing, in cash, at least. To-day, if the farmer cannot pay the loan, the lender of the money dare not take over the farm, because it is a liability instead of an asset. If he did, he would at once discover that part of the indebtedness is made up of arrears of taxes, and further, that he is liable to heavy taxation by the municipality or district in which the farm is situated.

Just because a thing is new I do not despise it; but neither do I grasp at it. I have a good deal of sympathy with what has been said by my right honourable friend (Right Hon. Mr. Meighen) and my honourable friend to my left (Hon. Mr. Lemieux), namely, that we must be careful in our efforts to help under specially difficult conditions. I am sufficiently old-fashioned to believe that a contract is a contract, and that, if at all possible, it should be respected and honoured. I hope that our people will not get into the habit—I do not think they will—of endeavouring to evade their responsibilities. The fact that a man has made a bad bargain is no reason why he should not keep it. It is his own fault. If there is anything dishonest about the deal, that is a matter for adjudication. I say that if a man makes a legal contract he ought to be compelled to carry it out as far as he possibly can.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: If we do not keep our contracts—I am speaking now not of farm loans, but of the general principle—our own personal credit will disappear, and when the credit of the people is gone the credit of the country will be gone also.

Hon. R. B. HORNER: There is just one phase of this matter that has not been taken into consideration. The right honourable gentleman (Right Hon. Mr. Graham) speaks as though every dollar of this credit that is being dealt with in the Bill were mortgage money, or money actually loaned on land. In the province of Saskatchewan a great part of the land has been sold by one farmer to another under agreement of sale, often at very high prices and on long terms, without one dollar being paid out. When the farmer finds that what the land is producing is not sufficient to enable him to meet his responsibilities he goes before the receiver, with the other party to the sale, and the matter is adjusted to the satisfaction of both parties. When that is done the farmer's credit is much better than it would have been otherwise. The majority of the cases in Saskatchewan are of that kind. I have in mind some transactions in which I sold land without receiving one dollar in cash. I am

not losing, because I sold the land for a higher price than I paid for it. The arrangement is perfectly fair. The matter comes before the Board of Review, at the head of which there is a very efficient man, and no one is forced to accept an agreement that is not satisfactory. This is first-class legislation, and will not injure anyone's credit.

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

CANADIAN FARM LOAN BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 15, an Act to amend the Canadian Farm Loan Act.

He said: Honourable senators, the amendments to the Farm Loan Act as proposed by this Bill are considerably more significant than were the amendments to the Farmers' Creditors Arrangement Act proposed by the previous Bill. I can give the House the objects of the Bill, item by item, without reference to the special sections. I think that may be the clearest way to put its purposes before the House. They are as follows:

First, to strengthen the Canadian Farm Loan Board by increasing its membership. It should be noted that three additional provinces will now be included within the scope of its operations.

Second, to give the board complete control of and responsibility for the administration of the Act in all provinces. This is to be accomplished by giving the board control over the selection and appointment of all provincial administrative officials and local advisory boards.

Third, to enable the board to initiate loaning operations in any province without waiting for the passage of provincial enabling legislation as a condition precedent thereto.

Fourth, to relieve borrowers and provincial governments of the necessity of subscribing to capital stock of the board with respect to loans made by the board.

Fifth, to increase the amount of funds available to the board for loaning purposes.

Sixth, to enable the board to make additional advances to farmers obtaining first-mortgage loans in provinces where chattel security for such additional advances cannot be taken; for example, the province of Quebec.

The House will see at a glance that the effect of these amendments is to open considerably wider the door to farm loans.

Under the original scheme, before the board could operate in a province the Act had to be adopted by that province, and the province had to subscribe to the capital stock. In addition, the borrower made a subscription of, I think, five per cent of his borrowings, to the stock of the Farm Loan Board. The present Bill enables the board to initiate loans in provinces which have not accepted the Act, simply because they have been unable to do so, and it empowers the Government to advance by way of subscription not only the $5,000,000 originally provided, but five per cent of the loans made, the restraint being that at no time shall the amount of securities held by way of mortgage be more than twenty times the amount of this subscription. The Bill provides also for the turning in to the Government of the stock already subscribed for by borrowers under the old provisions of the Act, and the crediting by the Government of the subscription price on the indebtedness of the borrower.

Then it provides for an extension of the borrowing powers of the Farm Loan Board up to $50,000,000. The Government can in the first instance take the debentures, and afterwards be relieved by a public issue. The Government can guarantee the debentures, as was the case under the Act. In general, the effect of this is to remove restrictions which appear to have been impossible to apply in operation, though intended by way of safeguards, and as to this there can certainly be no criticism.

As regards the power to loan, where chattel mortgage security cannot be obtained the Bill permits of lending up to sixty per cent of value; where chattel mortgage security can be obtained, up to sixty-six per cent.

Hon. Mr. BELAND: Is that the municipal valuation?

Right Hon. Mr. MEIGHEN: No; it is the valuation made by the officials. Where the chattel security cannot be taken the proportion is of necessity less. The proportion, however, is enlarged.

Hon. Mr. LEMIEUX: What is the amount involved in the Bill?

Right Hon. Mr. MEIGHEN: The additional amount involved cannot be stated. The additional amount allowed is stated in the Bill.

Hon. Mr. DANDURAND: It is increased up to $50,000,000.

Right Hon. Mr. MEIGHEN: Yes. I said that. It was $40,000,000.

The clause respecting the extent to which loans may be made against properties is

improved. I think I had better read it verbatim to the House. It is clause 19, and it is as follows:

(1) Notwithstanding anything contained in Part I of this Act, the Board may in any case where it lends on the security of a first mortgage, make a further loan—

This is the further loan provision which is specially intended to be co-operative with the provision of the Farmers' Creditors Arrangement Act.

—for a period of not more than six years, repayable on such terms as the Board may determine, on the security of a second mortgage on the farm lands and in those provinces of Canada where chattel security may be taken by the Board, of a charge on live stock and other personal property.

(2) The aggregate of loans made to any one borrower under the provisions of Parts I and II of this Act shall not exceed, in those provinces of Canada where chattel security may be taken by the Board, two-thirds of the appraised value of the land and buildings in respect of which security is taken, and in any province where chattel security may not be taken sixty per cent of the said value and shall not exceed at any one time the sum of seven thousand five hundred dollars. The amount advanced under this section shall not exceed one-half the amount advanced on the security of the first mortgage.

There are three limitations: first, that where a chattel mortgage can be taken the total amount of the two securities shall not be more than sixty-six per cent, and where a chattel mortgage cannot be taken, sixty per cent; second, that the amount loaned to any one farmer shall not exceed $7,500; and, third, that the amount of the second mortgage shall not exceed half the amount of the first.

These are, I think I can say, all the important features of the Bill.

Hon. Mr. LEMIEUX: Was not the amount involved in the old Act $40,000,000?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. LEMIEUX: And the present Bill has added $50,000,000?

Right Hon. Mr. MEIGHEN: No, $10,000,000.

Hon. Mr. DANDURAND: I understand that the principal change in the Act consists in dispensing with the co-operation of the provinces.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: And dealing directly with the borrowers throughout the provinces through the newly organized mechanism.

Right Hon. Mr. MEIGHEN: That is it. This, I presume, is made necessary by the condition of the three Western Provinces. There is no use calling on them to subscribe. They cannot do it.

Hon. Mr. DANDURAND: I suppose this Bill will go to the Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: Oh, yes.

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

NATIONAL RAILWAYS AUDITORS BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 20, an Act respecting the appointment of Auditors for National Railways.

He said: Honourable members, the Canadian National-Canadian Pacific Act, passed two sessions ago, provided that auditors should be appointed by Parliament year by year. I think the Act said they were to be appointed by resolution, but apparently it has been decided to make the appointment by way of a Bill. This undoubtedly is a compliance with the Act.

The auditors for, I think, twelve years back have been George A. Touche and Company, a highly reputable firm, as every honourable member knows, of long standing. Its head office is in Great Britain, but it operates all over Canada. Prior to that time, if my memory is right—the right honourable gentleman opposite will know about this—the auditors were Peat, Marwick, Mitchell and Company. The purpose of the present Bill is to appoint the firm of Clarkson, Gordon, Dilworth, Guilfoyle and Nash for the year 1935. It is needless to say that this is not in any way intended as a reflection on George A. Touche and Company. In suggesting the appointment of another firm the Government is actuated by the view that it is better to change auditors periodically, and certainly after such a length of time as twelve years. The principle of changing auditors is embedded in our Bank Act. That statute requires that there shall be two independent auditors for each bank, and in no case can the same two auditors hold their appointment for longer than two years. One may remain beyond that time, but not both.

Hon. Mr. DANDURAND: A panel is organized, I think.

Right Hon. Mr. MEIGHEN: In any event there has to be a change of auditors every two years. The belief is that this is an extra precaution against collusion on the part of officials of the auditing company, and against

their getting into a rut and accepting too much for granted; and perhaps a more important thought is that a new firm may get a new slant and be more likely to make suggestions than would one that seemed satisfied with the old state of affairs. The reason for the present change is not that George A. Touche and Company made a recommendation for writing off a lot of the capital of the Canadian National. It is only childish, I think, to suggest that as an explanation.

Right Hon. Mr. GRAHAM: Unless they exceeded their duties.

Right Hon. Mr. MEIGHEN: Unless they exceeded their duties, and I do not know that they did. If they thought it was a wise thing to recommend a writing off of capital, they were right in doing so. Personally I never could see any advantage in that. But that is not the question here at all. The question is, should there be a change in auditors, and, if so, whether the House is satisfied with the firm of Clarkson, Gordon, Dilworth, Guilfoyle and Nash.

Hon. Mr. LEMIEUX: Is the recently appointed board of the Canadian National Railways in accord with this appointment? Have they approved of or recommended it?

Right Hon. Mr. MEIGHEN: No. I do not think they have anything to do with it. The members of the board are in the position of directors. The auditors are officials representing the shareholders. We are the shareholders. But perhaps the honourable gentleman did not know we were of that privileged class.

Hon. Mr. LEMIEUX: I know it.

Right Hon. GEORGE P. GRAHAM: Honourable members, it occurred to me that possibly the former auditors had been thought to have exceeded their duties in suggesting the writing down of the capital structure of the Canadian National. I had no reason to think that, only that perhaps my mind was perverted. In my opinion nothing can be said against the new auditors. Their duties are such that they audit the Canadian National board and everything connected with it. Possibly they could not very well be appointed by the board, and under the Act the appointment is made by the shareholders. In the case of insurance companies a number of auditors are appointed by the shareholders and a number by the directors. The primary reason for that is probably to protect the shareholders and to be just to the directors as well.

We are of course not discussing the writing down of capital just now, but my right honourable friend mentioned it. So far as I can see it, no financial gain would result to the country through a writing down. The only advantage would be that a government-owned institution would be given a better chance to show its ability to manage itself in a business way. If its capitalization is beyond anything that can be imagined as just, of course it never can make as good a showing as if it is fairly capitalized. But the writing down would not reduce the country's indebtedness; it would merely result in a transfer of certain indebtedness from the books of the railway company. That indebtedness would then stand directly in the name of the country, and the railway would be given a better chance of showing the public whether or not it could be managed as efficiently, or approximately so, as a private concern.

I think the appointment of these auditors is all right. In any event, Parliament has a right to make the appointment. The auditors are not Government officials, though of course they are recommended by the Government. Parliament represents the shareholders of this organization, and as parliamentarians we must share with the Government the responsibility of seeing that this firm is qualified for its duties.

Hon. Mr. HUGHES: Is not the Canadian National charged with a great deal more than its real indebtedness?

Right Hon. Mr. MEIGHEN: Oh, no.

Right Hon. Mr. GRAHAM: The answer would depend on the interpretation of "real." It is not charged with any money that is not owed to somebody. The Canadian National has never attempted to and never could pay the overhead charges on all its indebtedness or all its capital. When the Grand Trunk came into the possession of the Government and the Canadian National, no matter what litigants may say, it was on the verge of bankruptcy. I refer to this road only because it is the oldest one. The Government of Canada has spent many millions of dollars in making it fit to operate in an effective and profitable way. Many millions had to be expended to place all these publicly owned lines in the condition they would have been in originally had they been fit to operate.

One matter came up the other day which I wish someone would explain to me. The honourable senator from Hamilton (Hon. Mr. Lynch-Staunton) told us, almost as emergency news—a scoop, as the newspapers

would say—that it had been discovered that the indebtedness of Canada was one billion dollars less than we had supposed. He asked a question about it, and some answer was brought down. Now, it seems to me that there is a debt of a billion dollars and by a method of book-keeping it has been made to appear as a double liability. The only way I can imagine that came about is that it was charged in the first place to the Canadian National, that it is included in the total of its debts, for which the Government is responsible, and is included also in the country's total debt. I am suggesting that merely as a plausible explanation.

Right Hon. Mr. MEIGHEN: That is the explanation. If the Government loans the Canadian National a million dollars, that becomes part of the national debt. It also becomes part of the debt of the Canadian National to the Government. If it is counted twice, it appears as one million more than it actually is.

Hon. Mr. PARENT: May I ask the right honourable gentleman who is going to provide for the remuneration of the Canadian National auditors?

Right Hon. Mr. MEIGHEN: The same people who provided for the remuneration of the old ones.

Hon. Mr. PARENT: No change?

Right Hon. Mr. MEIGHEN: No.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DIVORCE BILLS

SECOND READINGS

Bill H, an Act for the relief of Ray Leitman Aronoff.—Hon. Mr. McMeans.

Bill I, an Act for the relief of Marie Philomene Florence Maher McCaffrey.—Hon. Mr. McMeans.

Bill J, an Act for the relief of Stuart Lewis Ralph Henderson.—Hon. Mr. McMeans.

Bill K, an Act for the relief of Charles Henry Campbell.—Hon. Mr. McMeans.

Bill L, an Act for the relief of Maria Elphinstone Hastie Kinnon.—Hon. Mr. McMeans.

FIRST READING

Bill M, an Act for the relief of Clarence MacGregor Roberts.—Hon. Mr. McMeans.

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

THE SENATE

Wednesday, March 13, 1935.

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

Prayers and routine proceedings.

LEGAL ASSISTANCE FOR COMMITTEE ON BANKING AND COMMERCE

Hon. F. B. BLACK presented, and moved concurrence in, the following report of the Standing Committee on Banking and Commerce:

The committee recommends that it be provided with legal assistance.

He said: Honourable senators, for the benefit of those who are not members of the Banking and Commerce Committee I may say that it has to do a great deal of work which requires expert legal attention. Since the death of our old friend Mr. Creighton the Senate has had no regular Law Clerk. It will be remembered that last session the committee had before it such measures as the Shipping Bill, the Admiralty Bill and the Companies Bill. Legislation of that character demands a great deal of thought and care, especially by legally trained minds. As a result, the right honourable leader of the House and the honourable leader on the other side had imposed upon them a lot of hard work which it was unfair that they should have had to attend to at all. The committee now has before it the Patent Bill. Already we have had a large number of sittings in dealing with this measure, heard much evidence and suggested many changes, which later will come before the Senate for consideration. We need now a legal expert to revamp the Bill and put it into proper shape before we make our report upon it.

The motion was agreed to.

PURCHASES OF PAPER

INQUIRY

On the notice of inquiry by Hon. Mr. Parent:

How much money has been spent by the Government during the fiscal year 1933-1934 for the purchase of paper, showing:—

1. What quantity of newsprint, if any, has been bought, from whom and at what price?
2. What quantity of Kraft paper, if any, has been bought, from whom and at what price?
3. What quantity of higher grade of paper such as is being used for correspondence purposes, has been bought, from whom and at what price?
4. What quantity of any other class of paper, if any, has been bought, from whom, and at what price per ton or pound, as the case may be?

Right Hon. Mr. MEIGHEN: I am afraid the Clerk of Committees has not observed the point raised yesterday by the honourable senator from Kennebec (Hon. Mr. Parent), to whom I promised an explanation. I have sent up for it, and if it comes down during this sitting I shall read it to-day; otherwise it will be given to-morrow.

The inquiry stands.

DIVORCE BILLS

THIRD READINGS

On motion of Hon. Mr. McMeans, Chairman of the Committee on Divorce, the following Bills were read the third time, and passed:

Bill H, an Act for the relief of Ray Leitman Aronoff.

Bill I, an Act for the relief of Marie Philomene Florence Maher McCaffrey.

Bill J, an Act for the relief of Stuart Lewis Ralph Henderson.

Bill K, an Act for the relief of Charles Henry Campbell.

Bill L, an Act for the relief of Maria Elphinstone Hastie Kinnon.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE AMENDMENT BILL

SECOND READING POSTPONED

On the Order:

Second reading of Bill G, an Act to amend the Combines Investigation Act and the Criminal Code.—Hon. Mr. Casgrain.

Hon. Mr. CASGRAIN: Honourable members, some kind friends have informed me that this Bill is not properly printed according to the rules, in that it contains no explanatory notes. Therefore I move that the order be discharged and put on the Order Paper for Tuesday next.

Hon. Mr. BLACK: How is this Bill not properly printed? The copy in my hand contains explanatory notes opposite each section.

Hon. Mr. MURDOCK: The Bill has only just now been placed before us. Surely the purpose of the rules is to give honourable senators reasonable time in which to compare the proposed amendments with the original sections.

Hon. Mr. BLACK: That does not answer my question. I ask how the Bill is not properly printed.

Hon. Mr. MURDOCK: The reprint has just been placed before us.

The Hon. the SPEAKER: Copies of the reprinted Bill have just come from the Distribution Office.

The motion was agreed to.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: I understood that the Unemployment Insurance Bill had come over from the other House. If so, we could give it first reading to-day.

Hon. Mr. BLACK: May I remind honourable senators that yesterday two Bills were referred to the Banking and Commerce Committee, and suggest that the committee sit this afternoon to deal with those Bills.

Right Hon. Mr. MEIGHEN: I suggest that the statement of the chairman be taken as notice to all members of the Banking and Commerce Committee that we meet immediately after adjournment of the Senate, to see what progress we can make with the two bills to which he refers.

Hon. Mr. PARENT: Do I understand that the committee has finished taking evidence from lawyers and patent attorneys with respect to the Patent Bill?

Right Hon. Mr. MEIGHEN: We are to meet to-morrow morning to complete the work on the Patent Bill. Thereupon it is intended to have the Bill thoroughly reviewed by myself and someone who can stay here over the week-end, and put into a form which I hope will be verbally and phraseologically better than the form it is in now. It is also important to see there is no conflict between the various sections and all their parts. This is the more important because nearly the whole Bill has been revamped and rewritten. The purpose of the old Act has been kept in mind thoroughly, but the Bill is new in its methods, and so on, and I should not like it to go to the other House until it has been given a thorough verbal overhauling. I hope the Bill in its amended form will be brought before us next Tuesday morning, because it is desired by the Minister in charge that it be reported to the other House without unnecessary delay.

This afternoon, after adjournment, the Banking and Commerce Committee can address itself, for the first time, to the task that has been allotted to it of considering the Farm Loan Bill and the Farmers' Creditors Arrangement Bill.

Hon. Mr. DANDURAND: Could we say a quarter past four?

Right Hon. Mr. MEIGHEN: Yes, if that suits my honourable friend. It will suit me better.

Hon. Mr. DANDURAND: Say half-past four, then.

Right Hon. Mr. MEIGHEN: That will be all right. That will give us an hour and a half.

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

THE SENATE

Thursday, March 14, 1935.

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

Prayers and routine proceedings.

VETERANS' ARTIFICIAL LIMBS

RETURN

On the notice of inquiry by Hon. Mr. Pope:

How many amputated veterans the Government has to supply with artificial limbs? Total per province.

Give number of amputations corresponding to following classification:—

Legs:	Arms:
Chopart	Partial hand
Symes	Wrist
Below knee	Below elbow
Knee	Elbow
Thigh	Above elbow
Hip	Shoulder

Give full report, per province, on number of artificial limbs and orthopaedic apparatus provided to patients looked after by compensation boards in the year 1928. Cost of limbs? Cost of apparatus?

Give average life of an artificial limb.

How many men are employed in making artificial limbs and orthopaedic apparatus in the Government's shops and what wages do they get per hour?

How many are making limbs? How many making orthopaedic apparatus?

How many hours a day?

How many officials are in charge of this department?

Are any of these men receiving pensions in addition to their wages?

Total salaries paid per month in this department?

Total cost of material used in same department in the year 1928?

Does the Government's shop import ready-made parts for the making of artificial limbs and orthopaedic apparatus? Specify parts imported, where from, in what quantity in the year 1928, and at what cost for each different part.

Do the Government's shops make wood or metal limbs, or both? Which has given the best results, and for what reasons?

How many sub-stations and where located?

Cost of maintenance per station? What is the personnel of each?

How many outside (non-military) patients were supplied with artificial limbs or orthopaedic apparatus from the Government's shops? How many artificial limbs? How many orthopaedic apparatus? Cost of each?

Total subsidies voted yearly for the above department since 1928?

Right Hon. Mr. MEIGHEN: I would ask that this inquiry be changed to an order for a return. I table the return now.

PURCHASES OF PAPER

INQUIRY

On the notice of inquiry by Hon. Mr. Parent:

How much money has been spent by the Government during the fiscal year 1933-1934 for the purchase of paper, showing:—

1. What quantity of newsprint, if any, has been bought, from whom and at what price?
2. What quantity of Kraft paper, if any, has been bought, from whom and at what price?
3. What quantity of higher grade of paper such as is being used for correspondence purposes, has been bought, from whom and at what price?
4. What quantity of any other class of paper, if any, has been bought, from whom, and at what price per ton or pound, as the case may be?

Right Hon. Mr. MEIGHEN: I was to let the honourable member from Kennebec (Hon. Mr. Parent) know the reason for the delay in answering his inquiry. It is all due to the last question. To answer it would necessitate investigation of every single invoice in the various departments to see if there is any item referring to paper. If it is not of importance to the honourable senator, I would ask him to drop the last question. We can answer the others at once.

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

Right Hon. Mr. MEIGHEN: The inquiry will be answered on Tuesday.

The Hon. the SPEAKER: The fourth paragraph is dropped.

EMPLOYMENT AND SOCIAL INSURANCE BILL

FIRST READING

Bill 8. an Act to establish an Employment and Social Insurance Commission, to provide for a National Employment Service, for Insurance against Unemployment, for aid to Unemployed Persons, and for other forms of Social Insurance and Security, and for purposes related thereto.—Right Hon. Mr. Meighen.

DIVORCE BILLS

SECOND READING

Bill M, an Act for the relief of Clarence MacGregor Roberts.—Hon. Mr. McMeans.

FIRST READINGS

Bill N, an Act for the relief of Agnes Mabel Potter Brockwell.—Hon. Mr. McMeans.

Bill O, an Act for the relief of John Henry Ley.—Hon. Mr. McMeans.

ADJOURNMENT

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: The Committee on Banking and Commerce will meet immediately after the adjournment of the House.

The Senate adjourned until Tuesday, March 19, at 3 p.m.

THE SENATE

Tuesday, March 19, 1935.

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

Prayers and routine proceedings.

PURCHASES OF PAPER

INQUIRY

Hon. Mr. PARENT inquired of the Government:

How much money has been spent by the Government during the fiscal year 1933-1934 for the purchase of paper, showing:—

1. What quantity of newsprint, if any, has been bought, from whom and at what price?

2. What quantity of Kraft paper, if any, has been bought, from whom and at what price?

3. What quantity of higher grade of paper such as is being used for correspondence purposes has been bought, from whom and at what price?

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

The money spent by the Government during the fiscal year 1933-1934 for the purchase of paper amounts to $106,416.68, as shown hereunder.

Pounds	Purchased from	Price Cwt.
1. 263,219	The E. B. Eddy Co., Ltd.	$ 4 80
2. 328,491	Brompton Pulp & Paper Co., Ltd.	6 00
	St. Maurice Valley Paper Co., Ltd.	
	Canada Paper Company.	
114,639	J. C. Wilson, Limited.	5 85
	Lucien Frigon.	
	Dominion Paper Company.	
36,768	J. C. Wilson, Limited.	6 25
	Lucien Frigon.	
	Kilgours, Limited.	
	Queen City Paper & Twine Co., Ltd.	
	The Continental Paper Products, Ltd.	
	H. E. Livingstone & Co.	
	Snelling Paper Sales, Ltd.	
	Buntin Reid Co., Ltd.	
479,898 Total.		

3. No 1 Ledger—

Pounds		Cwt.
70,941	Rolland Paper Company, Limited.	$ 32 00
2,608		33 00
272		50 00
73,821		

		Purchased from	Price
No. 2 Ledger—			Cwt.
Pounds			
18,079	.. ..	Howard Smith Paper Mills, Ltd... .. ..$	23 50
6,981	.. ..	Rolland Paper Company, Limited..	24 50
25,060			
No. 3 Ledger—			
Pounds			Cwt.
43,074	.. ..	Howard Smith Paper Mills, Ltd.. .. ..$	11 85
No. 4 Ledger—			
Pounds			Cwt.
58,777	.. ..	Howard Smith Paper Mills, Ltd.. .. ..$	13 00
154	.. ..	Rolland Paper Company, Limited..	13 50
100,097	.. ..		14 00
10,916	.. ..		15 50
169,944			
Chaldean Vellum—			
4,760 pounds	.. ..	Howard Smith Paper Mills, Ltd.. .. ..$	23 50
42,750 sheets	.. ..	M.	5 60
Rolland Parchment—			
7,767 pounds	.. ..	Rolland Paper Co., Ltd.. .. ..Cwt.	30 25
65 reams	.. ..	ream.	2 25
10½ "	.. ..	"	2 45
215 "	.. ..	"	2 85
101 "	.. ..	"	2 90

Note: All prices shown herein have been secured by tender.

MOTION PICTURE "LEST WE FORGET"

INQUIRY AND DISCUSSION

Hon. JAMES MURDOCK rose in accordance with the following notice:

That he will direct the attention of the Government to the motion picture "Lest We Forget" and inquire whether it is the intention of the Government to authorize, encourage, or permit the showing throughout Canada of the motion picture "Lest We Forget," which had its premier showing in Ottawa on the evening of March 7.

He said: Honourable senators, on Thursday evening, March 7, with other members and their families, and with members of another place, and a representative audience from the city, I witnessed the picture entitled "Lest We Forget." It is one of the finest historical records of the activities of Canada in the Great War of 1914-18 that I think could be put on the screen. I believe the producers have achieved their purpose. The picture is such a magnificent chronological presentation of the splendid war work done by Canada that I feel quite sure every member of the audience must more than once have felt welling up within him a sense of pride in the accomplishments of our troops overseas.

But while viewing the picture I wondered if its presentation from the Atlantic ocean to the Pacific would do for the young manhood of Canada what I feel sure is the intent of those who prepared the record. I thought it was altogether a mistake to show the picture, and next day I drafted my present inquiry. Then, realizing that many would differ from my views, I doubted whether it was worth while to proceed further.

Many Canadians seeing "Lest We Forget" conceivably might fail to recall the sarcastic references to the great republic to the south, in derision of the claims of many of its citizens that their country "won the war," and become imbued with the idea that Canada had been mainly instrumental in bringing victory to the Allies. True, in "Lest We Forget" there are depicted some very harrowing sights—the dead bodies of enemy and Canadian soldiers lying here and there, of our men going over the top and dropping in their tracks, presumably shot dead, and I am sure the average person would say, "What greater warning could you give to the young people of Canada than to show them such gruesome sights?"

But to offset those harrowing scenes of the mud and blood of Flanders, there is another side depicted: the assembling of the first great and glorious Canadian contingent in September, 1914, and its embarkation at Quebec. I was at Quebec at the time and witnessed the event, and while viewing the picture I could

not help wondering if this pictorial record was going to have a beneficial influence on our youth. Then the picture showed the arrival of the transports on the other side and the entraining of the soldiers for camp. I thought one serious omission was made in the failure to show the awful conditions, as I am informed, under which in many cases our soldiers were trained in the Motherland. Then were depicted the movements of our troops to various sectors of the fighting front. There was also shown the meeting of the great men of the allied countries in their efforts to create pride and enthusiasm in the minds of the fighting men. And so the picture unfolded its record of the war.

One incident I thought could not but appeal to every Canadian, more especially to our young men from 18 to 28 years of age. We saw a number of happy, care-free, laughing aviators, presumably on parade to be photographed. Probably a few minutes later many of those young men would be engaged in a "dog fight" in the air and spiral to their death. That part was not shown. I know something of the sentiments of our young men, and I wonder if many of the scenes in "Lest We Forget" would not appeal to them. For several years past, in this Canada of ours—yes, and elsewhere in the world, I hasten to add, for I want every honourable senator to believe me when I affirm there is no shade nor shadow of politics in any references that I may now make—young fellows have been denied the opportunity to earn a living and have been hanging around pool rooms or similar places. I wonder if such young men would not, to use a very apt expression, feel "fed up" with this frustration and say: "Me for that. Anything to break the monotony and get away from this life of doing nothing and going nowhere."

Recently I received a letter from a young fellow, and it describes so well what I am sure is in the minds of many of our young men that I am going to read it for the benefit of honourable members. The letter is undated, but the envelope bears the stamp of Toronto, March 16:

Dear Sir:

I read in the paper where you were going to oppose the showing of the picture "Lest We Forget." Is this true or false? If it is true, why do you oppose it? Is it because you have shares in the "Canadian Nickel Company" and in some munition factory which makes arms to kill us?

That picture is not fit to be shown, you say! Why not? That picture is helping to get the glory of war out of our minds. "Glory of War," bah! slaughter, killing, murder, that's all it is. Murdering men, women and children to satisfy the greed of armament manufacturers, and yet when a picture comes along you oppose it, a picture which may help to defeat "war"!

You would rather see us killed and maimed. I know that I am echoing the sentiments of the majority of the boys, and coming men, that war should not be.

Age 13 years, but old enough to bark.

Yours truly,

Bill Story.

I say, more power to Bill Story for giving us an expression of his views. But please do not forget that Bill says he is thirteen years of age. Carrying my mind back to July, 1914, when I was in somewhat close contact with a considerable number of boys, I remember two, aged fifteen and sixteen, whom I knew fairly well. If the opinion of those two boys, or either of them, had been placed on record at that time, it would have been just as strongly against war as that expressed by Bill Story. They would have opposed the murder, the bloodshed and the futility of war with all their hearts. But what happened? Recruiting officers and others were going up and down throughout the land saying to the well set up young fellows, even though they had not attained their full growth: "Why aren't you enlisting? Why don't you join up?" As a result, many boys who had been absolutely and unalterably opposed to war "got into the game for shame's sake," as they said. Those two boys with whom I was in particularly close contact were pestered by this woman, that man and the other fellow, until finally they begged for a chance to line up and do their bit; and when they got permission they lined up and did their bit. One of them sleeps in a soldier's grave to-day. I do not think those two boys were a bit different from any other red-blooded young Canadian in this Canada of ours. So, with all due respect to Bill Story and the thousands of other young fellows who, I am sure, feel as he does, I ask where this glorification of war—because in my opinion that is all the picture is, a glorification of Canada's part in the Great War—is going to lead us.

If I could have my way in this matter, which I realize I cannot have, I would demand that every man and woman in the Dominion of Canada who is over thirty years of age see this picture; and I would be just as insistent that every person of less than thirty years of age should be prevented from seeing it. I know that in this respect many distinguished senators and others will disagree with me; but I think the picture will do far more harm than good, so far as the purpose that we all have in mind is concerned.

Let us analyse this matter a little further. Canada is spending about $13,000,000 a year in connection with war, or in maintaining a status which will enable her to enter upon war with a reasonably prepared skeleton army, a nucleus around which to build an army such as Canada was proud of from 1914 to 1918. It seems somewhat absurd, therefore, that at the same time this country should be spending about $300,000 a year towards securing peace, and in connection with the League of Nations. The expenditure of some of that money is inconsistent. But that is not the point we are discussing just now. The fact is that we have been making those expenditures for a number of years, and I do not think they are likely to be stopped by reason of anything I may say. Press reports to-day indicate that war and rumours of war are more than ever in the minds of some of the peoples of the world, and I have more sympathy to-day with what was said by the honourable senator from Edmonton (Hon. Mr. Griesbach) a few weeks ago than I had when he spoke. At that time I did not believe he was nearly as accurate in his remarks with respect to war as I now believe him to have been.

Those who are behind the showing of this motion picture "'Lest We Forget" argue that it will do a great deal to prevent war, and war enthusiasm in the minds of the young people of Canada. That is the point I want to talk about.

On March 9, two days after the first showing of this picture "Lest We Forget," there appeared in the Ottawa Journal, as there frequently does, a splendid editorial. Parts of it are so good and so apt that I am going to read them. Among other things, the editorial says:

> This is not a picture to pander to the morbid or the sensational, nor is it compounded of that mere emphasis upon horror and beastliness which have marred cinema versions of so many war books. What is shown here is an actual and faithful photographic record of things that were done and endured by Canada's own flesh and blood in those four dread years in France—a mingling of human heroism and sacrifice with acts and scenes so terrible as to be almost beyond belief.

Then it concludes:

> Those who believe in war, those who hate war, those who think of war as something glamorous, those who wish to know what our own endured for us in the world's Calvary—all should see "Lest We Forget."

That sounds splendid. I do not disagree with what I know to be the intent, but I wonder whether the person who wrote it has seen his own or other people's boys changed by the glamour of war and the enthusiasm and the "Come on" of their fellows. I wonder if he has seen the things that some of the rest of us have seen.

On the same date there appeared in the Journal another article describing a scene that most certainly should have been made a part of this picture "Lest We Forget." This article, appearing on the first page, reads as follows:

> Veteran Dies on His Way to Ottawa
> To Claim Renewal of His Pension
> Died in Quebec Police Station After Being
> Picked up Unconscious on Street in City
>
> Kentville, N.S., March 9.—Daniel Marven, 48-year-old veteran who died in a Quebec police station, left Kentville over a week ago for Ottawa to claim a renewal of his pension, discontinued in January.
>
> To-day his grief-stricken widow declared "he was a good husband and a wonderful father. I don't believe he took his own life and there is no reason why any person should take his life."
>
> Then she implored "all Canadian mothers, all English mothers, all Scottish mothers, and all other mothers in the Empire" to unite to stop war.
>
> "War is hell. It gives nothing for thousands upon thousands of fine young men and women and countless fathers and mothers," she said.
>
> "My husband enlisted in the 1st Canadian Contingent to go overseas. He was grievously wounded in the head in 1917. He never asked for a pension, despite the urging of his many friends. However, he was eventually given a pension, which was discontinued in January of this year."
>
> An inquest into the death is to be held at Quebec to-day. Marven was picked up unconscious, on a Quebec street Thursday night.

What a regrettable thing it is that "Lest We Forget" did not show the movements of Daniel Marven from 1914, when he left his loved ones as a member of the First Contingent, down to the time when, in seeking a renewal of his pension at Ottawa, he reached Quebec after, presumably, "bumming" his way on the drawbars of a freight train. Such a scene would have been wonderfully convincing, and would do more than anything else to abate enthusiasm of young Canadians to "get into the great parade" with their fellows.

Now I am going to quote, again from the Ottawa Journal, what purport to be the words of one of the most distinguished citizens of the British Empire; one who, as a soldier and as a man, is loved throughout the length and breadth of Canada. Let us see what the Ottawa Journal of March 14 says. This article is captioned, "Byng gives his opinion as to what causes war." It is dated from Pasadena, California, March 14, and reads as follows:

> Viscount Byng, former Governor General of Canada and hero of Vimy Ridge, had recovered sufficiently to-day from a heart attack to give an opinion as to what causes war.

"One of the main causes of war is the constant talk about it," he said. "If we concentrated on creating better human relations and complimented our neighbouring countries more there would be fewer conflicts."

He said he would return to England about April 1. He has been here several weeks for his health.

So the opinion of one of the greatest soldiers who participated in the last War—I think we all will agree he was that—and whose name and person are loved from one end of Canada to the other, is that talking about war creates war. Well, it is my point that looking at the picture "Lest We Forget," which undertakes to show and to eulogize before the eyes of young and old Canadians the wonderful accomplishments of Canada in the Great War, is far worse than talking about war. It will do far more to inculcate an enthusiasm in the minds of the young throughout the towns and villages of Canada than any other thing that has been done these many years. Again let me say I am quite sure that many honourable senators will disagree with me, as they have a right to do, but I thought I should be doing less than my duty if I did not express my views upon this matter.

Certainly I think that that war picture should have been put together. Certainly I think there should be a chronological record such as we have in that picture. But I think it is a crime against young humanity to show the picture as it is throughout Canada. Let me ask, what is the underlying reason for showing it? What was the underlying reason two or three years ago for the case of kidnapping that startled and shocked the world —one of the worst crimes ever committed against humanity? What is the underlying reason for burglary? What is the underlying reason for forgery? What actuates the minds of those who deal in the degradation of women and set up in certain of our cities places that should not be mentioned? Money, nothing but money, is the underlying reason in all these cases. Am I correct? Am I exaggerating or giving an explanation that is far-fetched when I say that no single motive except the making of money is responsible for the showing of this picture "Lest We Forget" throughout the length and breadth of Canada? It will be a money-maker. Tens of thousands of Canada's citizens will, I am sure, undertake to see that picture, and will feel that they have been amply repaid for the money they spent to see it. But it is the aftermath that I am thinking and talking about. What effect will it have on our young people who think it is wonderful, who become imbued with the idea that we won the War, who see what Canada and Canadians did in that struggle? What effect will it have on their decisions later on if the time should come, as it may, when there is another demonstration of international aggression and resistance by force of arms, with humanity being killed, maimed and sacrificed to perhaps a greater extent than in the last War?

Since I gave notice of this inquiry a gentleman whom I do not know, who signs himself A. T. McFarlane, has written an article which appears on the last page of the Ottawa Citizen of March 16. In that article he has expressed some of the views that I should like to present to honourable senators here, and he has done so in a more concrete and better form than I could. It is entitled, "Soliloquy of a Dead Soldier," and this is how it reads:

A dead soldier happens to be in front of a film camera in Flanders and becomes thus projected onto the public screen in the picture "Lest We Forget." He meditates on the audience at the premier showing in Ottawa:

Uniforms! They still wear military uniforms!

Why I am lying here dead, I never knew, I believed it was to end wars; but they still wear uniforms.

Was it not enough then that I gave my young life for Canada to no purpose, without now having my torn and broken corpse made a subject for public entertainment? And such a gala entertainment! Nobody but the elite here to-night! And a brilliant military band with stirring military music.

The film narrator says I must be shown to these people (like a circus freak) in order that the horrible example and exhibition of my dead body may help to prevent future wars. Is that, then, why they all still wear military uniforms, to prevent future wars? And why are they made to sing those songs which were used to enthuse me, and those like me lying here? Why "Tipperary" and "Pack Up Your Troubles" and "The Long, Long Trail"? Is it not to enthuse with patriotic fervor? If this is not the real aim of my exhibition, would they not either be singing some peaceful song or hymn? It all reminds me of the Indian medicine-man working up the tribe into a frenzy by incantations before a scalping expedition.

Why are those fellows sitting out there proud and arrogant in those radiant uniforms? Is it not that they feel pride in military pomp and vanity? If they sincerely wanted peace would they not have come to see my Calvary in peaceful attire?

Why do some wear medals and bright ribbons so conspicuously displayed on their breasts? Is it not that people shall say "He fought!" and so glorify them as heroes of war? If not they would have left those gay ribbons and medals securely hidden away at home. I also fought, but I received death. I can flaunt no medals, neither would I wish to. I should be satisfied to sit with my people watching the show as they are.

I see young fellows out there not yet out of their teens. The uniform fits them ill, but their heart can hardly be filled with peace with a tunic on their back. They are probably longing for the day, as indeed I did myself, when the adventure of war will take them and thrill them—to death.

And the Colonel sitting out there in his snug and well-fitting mess jacket. Why, in his old age and wisdom, has he not placed aside his "geegaws" and sought out the real causes of my lying here with dead and sightless eyes turned to heaven? Is it that his own eyes are sightless as mine and he does not wish to see the real cause, or is he still flattered to be called Colonel?

The young officers I see seated with their bedecked and resplendent ladies. Is not glory and prestige and the opportunity for promotion largely in their minds as they watch this picture, with their admiring companions comparing them to those heroes on the screen and their own luck in having such escort?

And the officials in evening dress ("soup and fish," we used to call it), are they not more concerned with the social amenities and opportunities to fawn on those of superior status to-night than with peace?

And those others who have come to revel in a picture of war from mere curiosity. Why do they now look upon my tortured and pain wrecked body? They have had twenty years to arrive at some conclusion as to the real cause of my untimely death. What conclusion have they arrived at for my being exhibited for their entertainment this evening?

I don't mind death. This way I am better off than many who fought and still live. Mine was a sudden death. Many of my living chums have a lingering death, some from starvation. They seem to have paid more attention to us that died than to those who really need attention; the living. Perhaps this is because dead soldiers require no material thing of life.

Peace and the prevention of another war is the last thing many here have in their minds. If the exhibition of my dead body lying in the mud can really turn their minds into channels of real peace and the sincere study of the causes and the prevention of war, I shall count the cost small, but my exhibition before them to-night is, I fear, intended only to glorify soldiers and the military art. Indeed the narrator's theme all through the picture will strike this note which is but badly camouflaged by some shopworn platitudes on the questionable efficacy of my death and the death of others like me. I see no reason, therefore, why I should now become a public exhibit for morbid curiosity.

I hope they do not allow the very young and impressionable to come and see me, but I fear it is a vain hope, for the young were ever taught to love military display.

I gave my life trusting that the reason for my so doing would ultimately be discovered, and other lives never again sacrificed on the altar of Mars. Perhaps I hoped for too much! Who knows? The uniforms and army trappings I see before me are none too reassuring, or do some really know the truth of my being here and are afraid to speak out?

I gave up my life in this war. What have these people given up to prevent the next? Not even their pride.—A. T. McFarlane.

Hon. Mr. MURDOCK.

I do not know, and I care less, who Mr. McFarlane is, but he has expressed, in a form better than I am capable of, some thoughts that I should like to convey to honourable senators. In my opinion it will stand as a lasting disgrace to Canada if the picture "Lest We Forget" is sent from one end of the country to the other to glorify war. For that is what it will do. And of course it will make "easy money" for some people. I know some honourable members will say, "That is too strong." But, do not forget, we are told in Holy Writ that money is the root of all evil. I would respectfully suggest to honourable members that they ask themselves whether this picture would be shown were it not for the fact that it will draw large crowds, crowds such as we had here in Ottawa on March 7, and be a money-making film.

My only apology for having taken so long to state my views is that I felt it was my duty to bring them to your attention. I do not expect that anything I may say will prevent the triumphant showing of "Lest We Forget" from the Atlantic to the Pacific ocean; I do not expect it will prevent full houses from witnessing the picture; I do not expect it will diminish the profits of the promoters. I should like to add that while I have nothing but the highest praise for those who have produced the picture as a chronological record of what was done by Canadians during the war years, still I think it is a very grave mistake for a peace-loving country to permit such a picture to be shown to its impressionable youth.

Right Hon. ARTHUR MEIGHEN: Honourable senators, the honourable member who has just sat down (Hon. Mr. Murdock) has a very important advantage over me in the discussion he has launched. He saw the picture, to the exhibition of which he takes exception; I have not seen it. My knowledge of it is derived from those who have, and particularly from those who originated the idea which has now taken tangible and presentable form in the picture.

I do not for a moment question the sincerity of the honourable senator; not even his sincerity in expressing admiration of the letter which he read. In that admiration I cannot share at all. I cannot follow the reasoning by which men bring themselves to the state of mind displayed in that letter and—I fear I must say—in the speech of the honourable senator.

First, we have seriously to make inquiry as to what is our position in relation to world facts to-day, and from the solid rock of those

facts try to adjust ourselves to sound principles of expression and conduct. I do not think even the senator from Parkdale would suggest there is really any war spirit in Canada, in the sense of a hope that some time we shall be embroiled in another world conflict. If he does, I take strong exception to such an assumption. I take even stronger exception to any conduct, governmental or other, designed to foster the hope. I take no second place to the honourable senator in this firm formula of conduct: all our policy, all our teaching, should be that Canada's influence in the world shall be towards settlement of disputes without war, and we should lose no opportunity whatever of pressing home that policy and that teaching and taking practical steps designed to that end, whatever sacrifice of pride or position it may entail.

Now, what are these world facts that not only relate to but immediately surround what we are trying to decide? Is it true, or is it not, that there never can be a time when Canada will have to put on its armour once more, when no option or no point of decision at all will remain with us, when we shall not be able to help ourselves? I should like to hear from the honourable senator again if he is convinced that such a time never can come.

Hon. Mr. MURDOCK: Most emphatically, no. I think the time will come; but I do not know why we should take any part in hastening it.

Right Hon. Mr. MEIGHEN: Ah! I have never suggested that we take any part in hastening it. I have urged we should do our part and leave nothing undone to prevent it, and that all our policy should be directed to this purpose. But is any honourable senator ready to assume that that time will not come?

Some Hon. SENATORS: No.

Right Hon. Mr. MEIGHEN: I take it that all honourable members are ready to assume that unfortunately, terribly unfortunately, it may come. Am I safe in such an assumption? I do not feel sure that it will come; I have not given up hope that it will not; but I do hope I am not overstepping bounds by the breadth of a hair when I say we have to assume that it may come.

Then what is the next step in the reasoning? If such is the case, is it the duty of our people—Canadian fathers and Canadian mothers—to train their children that under no circumstances must they ever face war again; to drill into them that war is horrible, and that anyone who puts on a uniform or dares to volunteer for military training is trying to bring war about; to tell them they must shun the recruiting sergeant, must steel themselves against preparing to take part in any future conflict? We cannot take that position. It is unreasonable, it is irrational. We should like to be in a world where we could take it, but we are not in such a world.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: I can picture the situation of a man who to-day would stand on the eastern boundaries of France, or indeed anywhere within that country, and tell her youth that war can never be undertaken by them, it is their duty to turn their backs on war under all conditions, and a motion picture that tends, however slightly, to revive memories of the valiant part France played in the Great War is horrible and to be shunned.

In the serious world situation existing to-day where do we find the professional pacifist? I do not refer to the honourable senator from Parkdale. We find the professional pacifist in Canada, in Australia, in every country where there is no need of him at all. We do not find him in the danger zones where the world's troubles are being brewed, where treaties are being torn in tatters and thrown to the winds of heaven: there is not a nucleus of pacifist sentiment there.

If we assume there is at least a possibility of conflict, while we ought never to divert Canada from the aim of peace, still it is our duty to tell our youth the facts and open their eyes to the truth. We cannot perform this duty by merely picturing the horrors, and nothing but the horrors, of war and telling them to run from it under all conditions and at all times.

Now, let us come to this picture "Lest We Forget." Canada was the possessor of some sixty positive and forty negative films, descriptive of the part we took in the great contest from 1914 to 1918. I do not think anyone knows as little about motion pictures as I do: I never go to see them. However, it appears that the only way in which this historical record could be made available for the future was to put these into picture form. It may be there are conditions under which truth should not be divulged. At all events, even in the presentation of truth, good judgment has to be used. But I do not think truth should be suppressed for ever. To allow those films to pass into oblivion was to make just that election. The Canadian Legion was called in. A committee was set up under Dr. Doughty. It decided that the way to

get the best out of the films was to preserve them in the form of this motion picture. The idea behind the decision was not money at all. Canada cannot make a cent out of the undertaking. I do not know whether anybody will make any money out of it. The purpose had no more relation to money than it had to death. Finally on the recommendation of the Legion, which sponsored and executed it, a contract was made for the production of a moving picture on the basis of the sixty positives and forty negatives—whatever they mean—which the Government possessed. Under the contract twenty-five per cent of the total revenues goes to the distributors, and seventy-five per cent to the producers, until the costs of production have been met; the division then is on the basis of fifty per cent to the distributors, twenty-five per cent to the Canadian Legion, and twenty-five per cent to the producers.

Right Hon. Mr. GRAHAM: If there is a profit?

Right Hon. Mr. MEIGHEN: Yes, if such a profit exists. I have a letter from General Ross, President of the Canadian Legion. I do not intend to read the whole of it, but I shall be pleased to show the letter to any honourable member who may wish to peruse it. The only object in disclosing the contents of the letter is to show that the picture is not of such a nature as to violate the principle which I sought to expound as I rose to address the House. It is not the purpose of the picture to glorify war, to paint it as something to be desired, a sort of paradise for youth, something in the nature of the heroic, and that alone. In order that the picture may be defended, it is necessary that such should not be its purpose or its nature, for it is the first great duty of Canadians to turn their course from the direction of war and to influence all others to do likewise. I shall read part of the letter from General Ross, because it bears most directly on the purpose. He says:

> Our organization has been selected by the Government for the purpose of sponsoring this picture throughout Canada and we have accepted the commission gladly. For many years we have been aware of the fact that during the War the Canadian Government accumulated a great many pictures of war conditions which were in danger of being lost to posterity by reason of lack of care. We have, therefore, for many years been pressing that steps should be taken to preserve a historical narrative of the days of the War and as a result of our efforts the Government at last agreed to authorize the preparation of a picture—

I ask honourable gentlemen to note this.

> —as a result of our efforts the Government at last agreed to authorize the preparation of a picture which would be a complete historical narrative of the War. In so doing they laid down definite restrictions, namely, that there should be no glorification of war, and that the picture must have a definite appeal for peace. This was entirely in conformity with our views.

The House will note that the Government laid down two conditions: first, that there should be no glorification of war, and, second, that the picture must have a definite appeal for peace.

Then General Ross says:

> We desired,
>
> 1st. That this very important historical narrative should be preserved;
>
> 2nd. That it should be made available to the people of Canada, but when made available it should preach a definite lesson of peace.

To prove that it conforms to those two conditions, he cites the approval of two very prominent persons in this country, both of whom are well known to everyone in this House as being irrevocably, pronouncedly and emphatically, if not violently, opposed to war. Then he gives his own opinion:

> Personally I believe that the exhibition of this picture throughout Canada would be definite propaganda for peace and we are very happy indeed to have the opportunity of so presenting it.
>
> I make these observations so that when you have to answer the question, you will understand exactly our position in regard to the matter.

Hon. Mr. MURPHY: Is the writer of the letter the present member of Parliament for Kingston?

Right Hon. Mr. MEIGHEN: Oh, no. General Ross is a judge at Yorkton, Saskatchewan, and President of the Canadian Legion of the British Empire Service League. He was the representative of the Canadian Legion in Australia, and I think he went in another capacity also, at the time of Victoria's Centennial last fall.

In a memorandum from the department the central purpose of the picture as propaganda for peace is emphasized again. I have spoken to several who saw the picture, and all to whom I have spoken agree that it meets and fulfils that central purpose, and that in it there is no glorification of war. A picture is not a glorification of war just because it discloses the heroism of Canadian forces. The fact that it depicts a tradition of self-forgetfulness and self-sacrifice does not make it a glorification of war. The honourable senator from Parkdale (Hon. Mr. Murdock) says that it shows boys preparing for a contest in the air, but fails to show one of

them falling from the clouds. True. Unfortunately, perhaps, the picture cannot present all the horrors of war. It would be very hard for the man who took the picture to know just where that boy would fall. But it does disclose horrors in the very worst form; such horrors as could be pictured.

Now that I have given the purpose of the picture, I think it is more important than the mere question of the picture itself that we should make up our minds, once for all, that we are not going to turn the eye of scorn upon the men who are in our permanent forces to-day, and who, if war has to come, are prepared to do their duty beside the flag of this country, as they have done in the past. We have to make up our minds that by that act those men are not proclaiming themselves the propagandists of war. They are simply saying, "Until the armament monger is suppressed, as he eventually will be, should the utmost efforts and wisdom of the best men of the world fail, and the worst come to the worst, and the sword flash again, much as we deplore the necessity for it, we are prepared to do our duty."

DIVORCE BILLS

THIRD READING

Bill M, an Act for the relief of Clarence MacGregor Roberts.—Hon. Mr. McMeans.

SECOND READINGS

Bill N, an Act for the relief of Agnes Mabel Potter Brockwell.—Hon. Mr. McMeans.

Bill O, an Act for the relief of John Henry Ley.—Hon. Mr. McMeans.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE AMENDMENT BILL

SECOND READING FURTHER POSTPONED

On the Order:

Second reading of Bill G, an Act to amend the Combines Investigation Act and the Criminal Code.—Hon. Mr. Casgrain.

Hon. Mr. CASGRAIN: Honourable gentlemen—

Right Hon. Mr. MEIGHEN: I wonder if the honourable member will permit me to interrupt him. The Banking and Commerce Committee has before it a Bill which the Government desires to have finally dealt with to-morrow, if possible; and that cannot be accomplished unless the committee can sit this afternoon and again to-morrow morning. If the honourable member (Hon. Mr. Casgrain) would defer the discussion on this Bill the postponement would, I think, meet the convenience of all.

Hon. Mr. CASGRAIN: I am very happy indeed to be able to accede to the wishes of the distinguished leader of this House, because I cannot forget, and never will, that he was good enough on one occasion to make way for my humble self in order that I might say a word against public ownership.

I move, therefore, seconded by the honourable senator for Alma (Hon. Mr. Ballantyne), that this order be discharged and be placed on the Order Paper for Tuesday next.

The order was discharged.

EMPLOYMENT AND SOCIAL INSURANCE BILL

MOTION FOR SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 8, an Act to establish an Employment and Social Insurance Commission, to provide for a National Employment Service, for Insurance against Unemployment, for aid to Unemployed Persons, and for other forms of Social Insurance and Security, and for purposes related thereto.

He said: Honourable members, in moving the second reading of this Bill I presume I should outline its purposes. My remarks will be exceptionally brief, because every honourable member already knows its purposes from reading discussions appearing in the press of late weeks, and probably from some perusal of the Bill. Further, the objectives sought are set out in detail in the title of the Bill. The measure, therefore, becomes in the main a question, first, of principle, and, second, of almost endless detail. The principle is as to whether or not we should have in Canada a contributory unemployment insurance system, the contributors being the employer, the employee and the State.

There may be also some subsidiary principles involved in the measure; namely, as to whether such a system, if we are to have it, should be operated by a commission, and, secondly, as to whether there should be a uniform assessment on all employees in all industries, whatever may be the measure of the danger of unemployment in the individual industries, or whether the insurance premium should be adjusted and made proportionate to the danger of unemployment in the industries in question. Another subsidiary principle may possibly be as to whether or not there should be exceptions. There are numerous exceptions in this Bill, and there is room for the argument that, in the initial stages at least, there should be more.

The measure is comprehensive, the detail almost infinite. In the other House the Bill was dealt with in Committee of the Whole,

but I am firmly convinced, and I think honourable members will agree with me, that in this House the Bill should be referred to a standing committee. There are some persons who would like to be heard. They can be heard only before such a committee. I do not think any of them feel that opposition to the principle would avail them now, but they wish to speak with respect to special features, and I know the House will be only too glad to afford them such an opportunity.

There is no need to go further into the various clauses of the measure, which is very extensive. One of our chief duties during the weeks ahead will be to give it the close attention that the Senate likes to give to such legislation when the opportunity offers.

Hon. Mr. DANDURAND: Will the right honourable gentleman inform the House as to the basis upon which he relies for the jurisdiction of Parliament to enact such legislation?

Right Hon. Mr. MEIGHEN: I am not certain that I can make the general statement that the reasoning given in my remarks on the eight-hour Bill would apply in toto to this measure. Personally I am disposed to think it would, but I have not considered the constitutional phase carefully enough to be able to make a final pronouncement. Certainly an argument based upon trade and commerce would be equally relevant in this case, and there seems to be no reason to doubt that under either section 132 or the concomitant decision of the Privy Council in the radio case, we should have power by virtue of treaty obligations. I notice in the preamble to the Bill a reference to those treaty obligations; consequently I do not think I am overstepping the bounds of accuracy when I say that we could rest our constitutional right to legislate upon that ground as well as upon our power relating to trade and commerce.

Hon. Mr. DANDURAND: I am at the disposal of the right honourable gentleman. I am prepared to go on now with this discussion, more especially on the point I have just raised, or, in the interest of good administration, to postpone it.

Right Hon. Mr. MEIGHEN: I understand the honourable gentleman would like to debate the constitutional features of this measure. That being the case, I move the adjournment of the debate, and shall feel it my duty in the meantime to make further study of that phase of the subject. I thought we had, perhaps, ended the constitutional discussion, but I make no complaint if honourable members ask that the principle applicable to this Bill be fully disclosed.

The debate was adjourned.

WEEKLY REST IN INDUSTRIAL UNDERTAKINGS BILL

FIRST READING

Bill 22, an Act to provide for a weekly day of rest in accordance with the convention concerning the application of the Weekly Rest in Industrial Undertakings adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.—Right Hon. Mr. Meighen.

FISHERIES BILL

FIRST READING

Bill 26, an Act to amend The Fisheries Act, 1932.—Right Hon. Mr. Meighen.

SUPPLEMENTARY CANADA-FRANCE TRADE AGREEMENT BILL

FIRST READING

Bill 32, an Act respecting the Additional Protocol of 1935 to The Canada-France Trade Agreement of 1933.—Right Hon. Mr. Meighen.

DOCUMENTS ON CONSTITUTIONAL HISTORY

Right Hon. Mr. MEIGHEN: I beg to lay on the Table a volume entitled "Documents relating to the Constitutional History of Canada, 1819 to 1828, selected and edited with notes by Arthur G. Doughty and Norah Story." It is apparently a collection of documents that have been assembled in the Archives.

Hon. Mr. DANDURAND: Will the right honourable gentleman explain why this volume is placed on the Table of the House?

Right Hon. Mr. MEIGHEN: I can give my reason. It is just that the volume was placed on my desk for that purpose. I presume there is a statute concerning it, but I do not know that.

Hon. Mr. DANDURAND: I wondered if it was not meant to throw some light on our constitutional problems.

Right Hon. Mr. MEIGHEN: The documents cover the period from 1819 to 1828, and I had no personal connection with them.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: The Standing Committee on Banking and Commerce meets immediately after the House rises, as honourable senators have already been advised.

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

THE SENATE

Wednesday, March 20, 1935.

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

Prayers and routine proceedings.

PATENT BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill A, an Act to amend and consolidate the Acts relating to Patents of Invention.

He said: Honourable senators, the committee has in obedience to the order of the Senate considered this Bill and now submits it with numerous amendments. It would not be reasonable to expect one to give a complete analysis of such a measure. As can be seen, it is voluminous. Without going into it in detail, perhaps I may make a few comments for the benefit of honourable senators who have not attended the hearings on it. The committee has been dealing with it since the 14th of February. Nineteen sittings have been held and between sixty and seventy persons have appeared and given testimony with regard to the Bill and its changes. The principal changes occur in sections 3, 6, 26, 34, 43, 47, 63 and 64. Amendments or corrections of some kind were made to virtually every section.

Section 3 attaches the Patent Office definitely to the Department of the Secretary of State, of which it has been a part for a few years. This section also fixes a limit to the salary that may be paid to the Commissioner of Patents. Section 6 definitely provides for the appointment of an Assistant Commissioner, who must be an experienced technical officer. Section 26 restricts the time in which nationals of other countries than Canada may file application in Canada, to twelve months instead of two years, as now provided in the Act. Honourable senators will understand that I am touching upon these sections only briefly and not at all in detail. Section 34 requires more details and particulars in the description of patents applied for, whether by our own nationals or others. Section 43 is intended to clarify action in cases of conflicting applications. Section 47 reduces the life of a patent from eighteen years, as at present, to seventeen years from the date of the granting thereof. Section 63 is well explained in the explanatory note printed opposite that clause of the Bill. The object of this section is to have articles that in future are patented in Canada manufactured as far as possible in Canada. Section 64 has been amplified and appears in the form of five or six separate sections.

I think this covers the various amendments.

The Hon. the SPEAKER: When shall these amendments be taken into consideration?

Right Hon. Mr. MEIGHEN: If honourable members desire the amendments before them in an understandable form, it will be necessary to take steps to have the Bill reprinted. It has to be reprinted for third reading. I presume the only way to proceed is to consider the amendments now and have the Bill printed as amended.

Hon. Mr. CASGRAIN: Yes. On third reading any senator can take whatever stand he likes.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: We could hardly go through the various amendments intelligibly without having the amended Bill before us.

Right Hon. Mr. MEIGHEN: As a matter of fact the Bill has been practically rewritten from beginning to end.

Hon. Mr. LEMIEUX: It is to be reprinted?

Right Hon. Mr. MEIGHEN: Yes.

Right Hon. Mr. MEIGHEN moved concurrence in the amendments.

The motion was agreed to.

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

Right Hon. Mr. MEIGHEN: I should like to have it read a third time at the very first opportunity, but it would be unfair to have that done before the Bill has been printed and distributed. How long will it take to print it?

The Hon. the SPEAKER: It may be ready for to-morrow.

Right Hon. Mr. MEIGHEN: Then I would ask that it be put on the Order Paper for to-morrow. If we find then it has not been printed and distributed, we shall have to adjourn the third reading, but I sincerely hope it will be possible to dispose of the measure to-morrow.

FARMERS' CREDITORS ARRANGEMENT BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 10, an Act to amend the Farmers' Creditors Arrangement Act, 1934.

He said: Honourable senators, the Standing Committee on Banking and Commerce has considered the Bill, and I submit it herewith with numerous amendments. It is likely that the right honourable leader of the House may want to make some comment on the last amendment.

The Hon. the SPEAKER: When shall these amendments be taken into consideration?

Hon. Mr. BLACK: By leave of the Senate, now.

Hon. Mr. DANDURAND: I would suggest to the right honourable the leader that consideration of these amendments be postponed until to-morrow, so that we may have an opportunity of reading them in the Minutes of the Senate.

Right Hon. Mr. MEIGHEN: I am quite agreeable to that. It might be well also, this matter not having been before us for anything like as long as the Patent Bill has been, that I should explain to honourable members who may not be familiar with them the sections which have been amended.

On second reading I fully outlined to the House the extent to which the Bill amends the present law; consequently there is no need of traversing that ground again. I shall refer only to the amendments made in the committee, as read from the Clerk's Table.

The first one is a proviso reserving the obligation of a guarantor or endorser when the obligation of the principal debtor is reduced by order of the Board of Review, or by amicable arrangement with all the creditors. The amendment provides that notwithstanding such reduction, either by agreement before the primary tribunal, which is the Official Receiver, or in virtue of an order of the court of appeal, which is the Board of Review, the guarantor is not relieved unless in the event of bankruptcy he would have been relieved by an order of discharge in bankruptcy. The practical effect of this is that the guarantor or endorser is not relieved. The general opinion seemed to prevail that this was the present law, but as there was some question on the point, the committee thought it wise to make it indisputable law that the guarantor should not be relieved.

There are some who adhere to the view that the guarantor should be granted relief, at least to the same extent as the principal debtor. I am open to conviction, but I cannot at all follow the reasoning by which this view is arrived at. If the guarantor or endorser is to be relieved to the extent to which the principal debtor is relieved—that is to say, if the guarantor is only responsible for what the principal debtor is able to pay—what is the good of the guarantee? The principal debtor is left liable for all he is able to pay. Such is the principle of the Bill. Well, if he is able to pay, the guarantor's function does not amount to much. The endorser's name is taken by a banker or some other payee just because of the fear that the principal debtor is not strong and may go before the tribunal to get his debt reduced. The lender says, "I will not lend you anything unless you get a good endorser." Such being the case, would this Parliament wish afterwards to take this attitude? "True, you were unwilling to lend to that man because you feared that he was not a good debtor, or because he already had so many debts you thought he might have to compromise; so you insisted on an endorser whom you regarded as responsible. But we are now declaring that because the principal debtor is good for, say, only $80 instead of $100, the guarantor also shall be liable for only the smaller amount." That seems to me to be equity of the worst kind.

Were our legislation of another character, such, for example, as to relieve the principal debtor on some ground other than inability to pay, it would then be equitable to relieve the endorser too. But where the relief of the principal debtor is granted only on the one ground that he cannot pay—the very ground which has necessitated an endorser—I cannot follow at all the reasoning which says that Parliament should relieve the endorser to the extent that it relieves the principal debtor.

Hon. Mr. CASGRAIN: If the Government choose to release one altogether, why not release the other? I think they are all wrong.

Right Hon. Mr. MEIGHEN: You release one because he is not able to pay, and in

order that he may get a new start for the benefit of both himself and his creditors. You cannot release the other for that reason, because in his case it is not true.

Hon. Mr. CASGRAIN: When that man gave the endorsement he did not know of this law.

Right Hon. Mr. MEIGHEN: The endorser knew he would have to pay if the debtor could not, and it turns out that the debtor is not able to pay.

I have given the reason which actuated the committee in adopting that first amendment.

The second clause read was to the effect that a farmer in the province of Quebec might, where a Board of Review in dealing with his affairs had recommended that he be allowed to make an assignment in bankruptcy, make such assignment and have his estate go through bankruptcy, the Official Receiver being the bankrupt. Honourable members will note that the clause is unusual, for it refers only to the farmer in Quebec. Let me explain why this is so. Under the Bankruptcy Act of Canada even a farmer may make a voluntary assignment in bankruptcy, but the province of Quebec is excepted from this provision. When the Act was before Parliament objection was taken on behalf of that province, which did not want to open the door of bankruptcy to the farmer.

Hon. Mr. CASGRAIN: And ruin his credit.

Right Hon. Mr. MEIGHEN: So the Act was amended to provide an exception for the farmer of Quebec, that he should not have the privilege of voluntary assignment. In view of that exception in our federal bankruptcy law, it was very questionable whether in any case the Farmers' Creditors Arrangement Act, being itself a new piece of bankruptcy legislation, displaced the former law to the extent of enabling the farmer in Quebec to go through bankruptcy. The Farmers' Creditors Arrangement Act did provide that where the affairs of a farmer were in such a state that it was deemed advisable he should make an assignment, he could be put through bankruptcy, but it did not contain any special provision in relation to the province of Quebec. Therefore this amendment is proposed in order to make clear that, notwithstanding the exception in the Bankruptcy Act, if the Board of Review for Quebec is of opinion that the affairs of any farmer are so bad that rehabilitation is hopeless, and feels that he should go through bankruptcy, it may recommend accordingly and that avenue will be open to him. In defence of this, and in answer to those who do not want the psychology of bankruptcy to pervade the agricultural sections of that province, it can be affirmed that under the amendment there will be no incentive for professional assignees, whose real objective is fees, to tramp through the country districts getting farmers to assign. That abuse appears to have been practised at one time. No fees will be payable to any such persons if a farmer assigns under this legislation, because the Official Receiver will be the assignee. Another fact in favour of this amendment is that there will be no case of an assignment except on the recommendation of the Board of Review, which is headed by a judge of the Superior Court. The present head of the Board of Review in the province of Quebec is Mr. Justice Loranger. Consequently, the safeguards seem quite ample.

The third amendment made by the committee is the only other thing I need refer to now. It provides that the Farmers' Creditors Arrangement Act, as amended, shall not apply to any debt incurred after the first day of May, 1935, except with the consent of the creditor. If this amendment is passed it will be beyond the power of any Board of Review to impose upon the creditors of any debtor a reduction in a debt incurred after the first day of May. The committee felt this amendment was necessary in order that the credit of farmers from this time on might not be subject to a cloud. And it was considered advisable to make the effective date six weeks from now rather than, say, last fall or the first of January, so that there will be time for everybody to have notice of the change.

Hon. RAOUL DANDURAND: I have followed closely the statement of the right honourable leader of the House, and I think he has fairly explained the purport of the amendments made in committee. Towards the close of the committee's discussion, and in this Chamber, concern was expressed that the endorser should be held responsible for the debt of a farmer at its face value, notwithstanding that the farmer had obtained a reduction. Under our civil law in the province of Quebec there are a considerable number of provisions for the protection of the endorser, and he is relieved of liability if these are not strictly observed by the holder of the note. The question now arises whether under the whole machinery of this legislation these safeguards in favour of the endorser are not being invaded. I should not be ready to give an opinion on this point now, and that is why I have asked that the

amendments be taken into consideration tomorrow.

As to the amendment that would open the door to some extent and permit the Quebec farmer to make an assignment and through bankruptcy to obtain absolution and enjoy the advantages of being considered solvent, I would remind honourable senators of the strong objection raised to a similar feature in the Bankruptcy Act. As my right honourable friend has stated, the opposition assumed such proportions that an amendment was inserted exempting the farmers of my province from the application of that law. Now, by the proposed change in the Farmers' Creditors Arrangement Act, we are retreating from that stand and making it possible for him to reach bankruptcy when it is reported that his case is so bad that there is no hope of his redeeming himself. But for the fact that public opinion in the province of Quebec has been so strong on this point, I should have supported the position of my right honourable friend and the majority of the committee. I expressed my dissent out of respect for the opinion held generally by the people of my province.

The third amendment proposed by the committee is a very commendable one. It provides that no creditor shall be obliged to accept a revision of a debt incurred after the first of May next. This would appear to be an important amendment, and will have the effect of restricting the application of the measure mainly to obligations incurred in the difficult times through which we have been passing, and which I hope will soon terminate.

I am in accord with these amendments, except that I am opposed to any change, however slight, that will tend to give to the Quebec farmer the status of a trader in so far as bankruptcy legislation is concerned.

Hon. RODOLPHE LEMIEUX: Honourable senators, I shall await the printing of the Bill as amended before making a final statement on it. The explanations given by the right honourable leader are very clear, but I do not agree with some of the principles involved in the amendments. Amongst French people generally, including French Canadians, the idea of bankruptcy is repulsive. In France it is still felt, as it was in the old days, that a man who becomes bankrupt dishonours his family, and in order to save him from bankruptcy his relatives will strive to their utmost to satisfy the creditors. Opinion is different in some parts of this country, but in the province of Quebec, where we live on traditions, we have always opposed the idea of the farmer going into bankruptcy.

My right honourable friend said a moment ago that although the debtor is given certain facilities in the way of reduction of his debts, the guarantor or endorser does not receive any corresponding benefit. It seems very strange that a privilege granted to the debtor should not be extended to the guarantor. There is an old principle in Roman law, accessorium sequitur principale. Any reduction in debts under this Act is permanent. Why should the guarantor not get the benefit of that reduction? Why should he not be treated pari passu with the debtor? It seems to me that there is an injustice here. I hold that every man should be in honour bound to pay his debts. Of course I do not object to a moratorium, which is different from legislation of the kind we are now considering. Many farmers throughout Canada, east and west, north and south, are in a very bad financial position and deserve to be helped, but by way of a moratorium. However, the Government and both Houses have virtually committed themselves to the principle of reduction of the debts of farmers. Well, if you reduce the debt of a farmer, his endorser or guarantor should get the benefit of the reduction. That proposition seems to me common sense. I may be dense, for I am unable to understand why one should get the benefit of the law and the other be forced to meet his obligation at its face value.

However, I shall await the printing of the Bill as amended before saying more about it.

DIVORCE BILLS

THIRD READINGS

Bill N, an Act for the relief of Agnes Mabel Potter Brockwell.—Hon. Mr. McMeans.

Bill O, an Act for the relief of John Henry Ley.—Hon. Mr. McMeans.

WEEKLY REST IN INDUSTRIAL UNDERTAKINGS BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 22, an Act to provide for a weekly day of rest in accordance with the convention concerning the application of the Weekly Rest in Industrial Undertakings adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of June 28, 1919.

Hon. Mr. DANDURAND: Explain.

Right Hon. Mr. MEIGHEN: Honourable members, this Bill follows a resolution adopted by both Houses nearly a month ago, one of the resolutions antecedent to the ratification of certain draft conventions adopted under the labour provisions of the Treaty of Versailles. This Bill therefore is merely the legislative execution of the provisions of the convention which specifically has to do with the establishment of a weekly day of rest throughout the whole area of the assenting nations.

The Bill is not a lengthy one, for the reason that already in Canada we have a Lord's Day Act, which did establish a weekly day of rest and made it very nearly universal. This measure merely supplements that Act, and may supplement also certain provincial legislation. It is believed that it goes to the full extent of implementing without reservation the provisions of the convention to which I have referred.

There is no need of dwelling for even a moment on any constitutional question which may be said to arise as to the powers of the Federal Parliament in respect to this measure, because when the resolution for the eight-hour day was before us a full discussion took place. As for myself, I then stated my opinion, and the reasons by which I supported it, that our jurisdiction was quite clear and impregnable. Every word I then uttered has full and complete application to the present Bill. If the resolution with respect to the eight-hour day, and consequently the legislation to be founded upon it, are intra vires of the Federal Parliament, then beyond all question this measure is intra vires too. I cannot see that in its constitutional features it moves the breadth of a hair from the other subject, which was under discussion in this House so recently.

This further feature would appear to make our powers not only with respect to this measure but also to the eight-hour law still more abundantly clear—that really all we require to do in fulfilment of our obligation as a signatory of the convention is to supplement our federal Lord's Day Act, an Act which, so far as I can recall, has stood on our Statute Book unchallenged for two decades.

Hon. Mr. DANDURAND: Since 1906.

Right Hon. Mr. MEIGHEN: Now what is really done? The Bill provides that there shall be a weekly day of rest for all employees.

Hon. Mr. LEMIEUX: Is there a stated day?

Right Hon. Mr. MEIGHEN: Yes. First of all, an industrial undertaking is defined as inclusive of mines, quarries and the like, of industries for manufacture, alteration, cleaning, repairing, ornamenting, finishing, adapting, breaking up, and so forth, also works of construction, reconstruction, maintenance and repair, and transportation systems.

Employees of industrial undertakings are given a weekly day of rest, that is, one day in seven. By subclause 3 of section 3 this period of rest shall, wherever possible, be the day established by the Lord's Day Act.

By section 4 provision is made for suspensions or diminutions where these are considered unavoidable. Wherever they are allowed or made, then by regulations "it shall be provided that as far as possible there shall be compensatory periods of rest for the suspensions or diminutions, except in cases where agreements or customs already provide for such periods." These regulations are to be communicated to the International Labour Office at Geneva.

Referring again to the question of the honourable senator from Rougemont (Hon. Mr. Lemieux), section 5 provides:

> Where the weekly rest given does not coincide with the Lord's Day as defined in the Lord's Day Act, the employer shall make known the days and hours of rest by means of notices posted conspicuously in the establishment or any other convenient place, or in any other manner determined by the Governor in Council by regulation.

By section 6 the Bill repeals subsection 2 of section 5 of the Lord's Day Act. The subsection repealed excepts any employee engaged in the work of any industrial process in which his regular day's labour is not more than eight hours. When the Lord's Day Act was passed it was apparently not considered necessary to give such an employee a day of rest. That very magnanimous exception is repealed. It would of course logically have to be repealed when we are establishing an eight-hour day of general application.

Another provision, which I omitted in passing, is subsection 4 of section 3, making the Bill inapplicable to persons holding positions of supervision or management or employed in a confidential capacity. It will be immediately obvious that the requirement as to days of rest and restricted hours of labour is not intended to apply to persons in special posts of responsibility—and they are not at all desirous that it should apply to them. Nor would it serve any useful purpose to bring them within its scope. Though one of the purposes of the Bill is humanitarian, the main object, to my mind, is to distribute what labour is left when the machine gets through, in order that a huge proportion of the labouring people of the world may not remain idle and unable to support themselves.

I submit the Bill has been thoroughly discussed already in point of constitutionality, and that as a consequence of the discussion it cannot be seriously attacked. It follows as part of our obligations under resolutions already adopted, and aside entirely from treaty obligations, it is distinctly and manifestly in the interest of our people, especially when considered as a unit of the great working world.

Hon. RAOUL DANDURAND: Honourable members, I shall have but a few words to say on this Bill. When the resolution was before us I stated that in my view it did not in any wise invade the jurisdiction of the provinces, as we had already legislated on a day of rest. However, I am not ready to accept the premise of my right honourable friend that since a draft convention was adopted in Geneva touching this matter we are obligated to pass the proposed legislation or submit it to Parliament. I did not object to it, for I took it for granted that it was within our competence. As we have before us only the principle of a Bill providing for a day of rest, I—

Right Hon. Mr. MEIGHEN: Has the honourable senator in mind the right situation? He says we are not obligated to pass this Bill. Of course, there can be no irrefrangible obligation to pass anything. But is there not a real obligation? We are in the position of having signed a treaty, our signature having been affirmed and approved by Parliament. Therefore, in pursuance of parliamentary authority, the treaty is ratified. Have we no obligations in respect to it after it is ratified by this country?

Hon. Mr. DANDURAND: My answer to the right honourable gentleman would be that since we had legislated on the matter, and covered the ground that is within this Bill—

Right Hon. Mr. MEIGHEN: Oh, if we had done it, yes.

Hon. Mr. DANDURAND: —all we needed to do was to notify the Secretariat at Geneva that we had already complied with the draft convention forwarded to us, and that inasmuch as we had done so we were not specially obligated to bring it before Parliament.

Right Hon. Mr. MEIGHEN: As a matter of fact, we have not done so, for our Lord's Day Act excepts all persons working only eight hours a day. Here we are debating an eight-hour-day law. The honourable senator says that the Lord's Day Act, which under our late legislation is not applicable to everybody, is a compliance with our obligation.

Hon. Mr. DANDURAND: I do not intend to go into a study of the economy of the Bill. I say that we have already legislated on a day of rest. I should like to ask my right honourable friend if that clause of the Lord's Day Act which provides that no prosecution shall be commenced without the consent of the Attorney-General of the province is still applicable.

Right Hon. Mr. MEIGHEN: As far as I have studied it, this Bill does not repeal that clause; consequently the Lord's Day Act and its enforcement would be subject to that clause. But this Bill goes further than the Lord's Day Act, and provides that there shall be a weekly day of rest, and fixes penalties for failure to comply with that provision. Consequently, irrespective of the Lord's Day Act, the Federal Parliament is imposing a day of rest.

Hon. Mr. DANDURAND: It is assumed that we have jurisdiction.

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. DANDURAND: I should like to ask if this Bill will go to committee, because it seems probable, from the nature of the matter dealt with, that some representations will be made with reference to it.

Hon. JAMES MURDOCK: Honourable members, it passes my comprehension why we should have to sit here and listen to a discussion as to whether or not in this country, which is alleged or claimed to be Christian, we will pass this Bill. One of my earliest recollections is that teaching of the Bible which says: "Six days shalt thou labour and do all thy work:"—

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. MURDOCK: "But the seventh day is the sabbath of the Lord thy God: in it thou shalt not do any work, thou, nor thy son, nor thy daughter, thy manservant, nor thy maidservant, nor thy cattle, nor thy stranger that is within thy gates." I had always understood that that principle governed, within reason, in this Christian Canada of ours. Of course I recall exceptions, because it is not so long since a rather strenuous argument took place on the question whether or not the uniformed policemen employed by the Government should have a rest of one day in seven. They got their one day's rest; but it was a standing disgrace to Canada that they did not have it long before. Personally I have not the slightest patience with all this talk about whether we are to adopt this Bill, which contemplates putting into effect what each of us in his

heart believes to be good and regards as part of the gospel of the Canadian people. Surely, whether there are so-called legislative restrictions or not, it cannot be that in 1935 anyone is going to object to the proposal that Canada should make effective a principle of Holy Writ which has been accepted all down through the ages. It seems to me that without much discussion this Bill should pass.

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

REFERRED TO COMMITTEE

Right Hon. Mr. MEIGHEN: It had not been my intention to move that the Bill be referred to committee, but in deference to the suggestion of the honourable senator opposite (Hon. Mr. Dandurand) that there may be those who wish to make representation in regard to it, although I cannot recall that I have had notice of any such desire, I move that the Bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. MURDOCK: The right honourable gentleman will pardon me. We have in this House a committee which, it seems to me, would be more appropriate.

Right Hon. Mr. MEIGHEN: Maybe so. What committee is it?

Hon. Mr. MURDOCK: Surely the question of industrial relations is involved here. I can imagine no committee that would be more interested in a measure of this kind than the committee to which I refer, and which, incidentally, has not met for some years.

Hon. Mr. HARDY: I think the honourable senator from Parkdale is quite right.

Right Hon. Mr. MEIGHEN: I had not intended to move that the Bill be referred to any committee, and so had not given much thought to that matter. I do not recall the composition of the committee on industrial relations.

Hon. Mr. MURDOCK: The honourable senator from Winnipeg (Hon. Mr. McMeans) is chairman of the committee.

Right Hon. Mr. MEIGHEN: He is Chairman of the Divorce Committee.

Hon. Mr. GILLIS: Why do you not refer it to Committee of the Whole?

Right Hon. Mr. MEIGHEN: That was my intention until the honourable senator opposite (Hon. Mr. Dandurand) indicated that there might be some who desired to make representations.

Hon. Mr. DANDURAND: Representations were made with reference to the Unemployment Insurance Bill, and I was wondering if some of the clauses in this Bill were not germane to that measure.

Hon. Mr. MURDOCK: I find that I made a mistake in suggesting we had a committee on industrial relations. What I had in mind was the Committee on Immigration and Labour.

Right Hon. Mr. MEIGHEN: That is all right. I accept the honourable gentleman's suggestion, and move that the Bill be referred to the Committee on Immigration and Labour. I may express the hope that if the question of validity is ever taken to the Privy Council the fact that the Bill was referred to the Committee on Immigration and Labour instead of the Committee on Banking and Commerce will not be used as a ground for arguing that it really does not come within the sphere of trade and commerce.

Hon. Mr. DANDURAND: I may say that it was a great surprise to me to hear the statement made elsewhere that if any of these measures were to be tested by reference to the Supreme Court a concrete case would be very desirable, and would bring out the fact that a certain measure had been adopted unanimously in the House of Commons. I have yet to learn that any tribunal will go behind the text of the law and look into the discussion which has taken place upon it in Parliament in order to decide what course to follow.

Right Hon. Mr. MEIGHEN: They do.

Hon. Mr. McMEANS: I may say for the information of the House that the Committee on Immigration and Labour has not met for fifteen years.

Right Hon. Mr. MEIGHEN: So it is fresh.

The motion was agreed to.

FISHERIES BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 26, an Act to amend the Fisheries Act, 1932.

He said: Honourable members, under the present law the Minister of Fisheries may issue licences, but it is questionable whether he may charge fees. Fees have always been charged and collected, but it was felt that there should be no doubt in regard to the matter. Therefore this Bill provides that where under the present law the Minister of

Fisheries may issue licences he may charge fees. Nobody can then refuse to pay.

Hon. Mr. DANDURAND: There is no objection.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. HUGHES: I did not hear the explanation given by the right honourable leader of the House. Would he be good enough to repeat it?

Right Hon. Mr. MEIGHEN: The Minister of Fisheries, where he has licensed fishermen to do certain kinds of fishing in the various parts of the country under his jurisdiction, has been charging fees for the licences. I presume that not many have been issued in Prince Edward Island, the fisheries being away from the shore; but in New Brunswick and British Columbia fees have been charged. The law as it stands permits the Minister to forbid fishing except by licence, but it does not say that he can charge for the licence. This is to make certain that he can do so, and to legalize what has been the practice.

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

SUPPLEMENTARY CANADA-FRANCE TRADE AGREEMENT BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 32, an Act respecting the Additional Protocol of 1935 to The Canada-France Trade Agreement of 1933.

He said: Honourable senators, this measure is of considerable importance and the House is entitled to an explanation of its terms. A treaty of trade, bearing date the 12th of May, 1933, was made with France. In the summer and fall of 1934, when the Prime Minister was at Geneva attending the League of Nations, he took occasion to renew negotiations that had been in contemplation when the treaty was made, looking to an expansion of its terms. As a consequence, a supplementary agreement was arrived at between France and Canada and was consummated by exchange of notes on the 29th of September, 1934. The supplementary agreement itself does not come directly before Parliament, because it was later amplified and expanded into the form of this additional protocol. Therefore what we are now asked to ratify is inclusive of and more extensive than that supplementary agreement. The protocol now before us was adopted by Order in Council of the 11th of March this year, but really was completed on the 26th of February. All these later negotiations, resulting as I have described, were necessitated by the placing upon Canadian exportations to France of successive restrictions in the nature of quotas, exchange surtaxes and additional general import duties made specially applicable. It was felt that it would be to the advantage of both countries to have these serious restrictions very much relieved, and the treaty is an instrument of relief.

The treaty deals not only with the general, minimum and favoured-nation tariffs, but also with quotas and the exchange surtaxes. To it there are appended four schedules. All that the Bill does is provide for ratification of the treaty and for the admission into this country of French goods under the duties set forth in the schedule and supplementary schedules. The schedule, which is the treaty itself, is the main factor for our consideration. There are four supplementary schedules, known as A, C, E and F. The first two cover respectively goods which, going from Canada to France, obtain the benefit of the French minimum tariff, and goods coming from France to Canada under our intermediate tariff. Schedule E specifies the percentages of basic global quotas accorded to Canadian products by France, the percentage in respect of each article being stated. Schedule F provides some additional quotas which are expressed in definite quantities.

Honourable members will of course be concerned chiefly as to the classes of goods which appear in these schedules and the effect of the treaty upon our trade. The principal goods with respect to which we give a concession to France are wines and liqueurs in the category or family of wines, laces and embroideries, and ladies' fine gloves. There is a fairly long list of articles, but these are the most important. The advantage in respect of wines is one which it appears we are now able to give in full conformity with the Ottawa agreements, and by way of compensation we get certain privileges with respect to important exports of this country. The chief Canadian goods which come under the treaty are potatoes destined to the French Indies, and wheat, under quotas. I will try to make clear at this point just what the provision with respect to wheat is. There was a time when our wheat exports to France were important, but that period was terminated quite a while ago by prohibitions applic-

able to us. There are now to be admissions of our wheat to France under certain temporary conditions. In respect of the wheat so admitted the duties or charges are to be lifted provided we purchase from that country an equivalent quantity of flour. There are a series of provisions referring to the French Protectorates and mandated countries and colonies, as well as to the territory of France itself.

I have reviewed the provisions of this Bill and treaty in a brief way. I cannot say they are of a sweeping character, but I think they are just as sweeping as it was possible to make them under the circumstances. They are undoubtedly of importance to us, especially in relation to some of our products. They are equally of importance to France. I feel sure the House will offer very little opposition to this relatively slight reduction of tariff barriers.

Hon. Mr. CASGRAIN: May I ask the right honourable gentleman whether brandy is included in the treaty?

Right Hon. Mr. MEIGHEN: Yes. And I know that our exports of whisky to France are affected favourably.

Hon. Mr. BLACK: Item 156 of schedule C covers Cognac brandy and Armagnac brandy.

Right Hon. Mr. MEIGHEN: Yes, in schedule C.

Our most important goods that are affected as coming under the minimum tariff of France are lobsters preserved or prepared, wheat, barley, oats, rye, potatoes when destined to the French West Indies, rolled oats, resinous products, wood-pulp, whisky, lead, zinc, synthetic resins produced by the condensation of aldehydes with vinyl alcohol, vinyl acetate, derivatives of glycol, casks (empty, serviceable, staves fitted together or not), builders' and cartwrights' wood, wood planed, grooved and/or tongued, canoe paddles, other wares of wood, river boats, footwear of all kinds with uppers of rubber or other material, single or double,—

Hon. Mr. CASGRAIN: That is important.

Right Hon. Mr. MEIGHEN: —collapsible canoes with hull of rubberized tissues, veneer sheets, pen nibs of gold, and insulating boards. I have mentioned nearly all the articles, but I see I omitted frozen pig livers.

The French products coming to this country and referred to in schedule C are with one exception admitted under our intermediate tariff less a discount which is stated in every case, and which in some instances represents a very large reduction. These goods include cheese of various kinds, pepper, canned mushrooms, candied chestnuts, liqueurs, Cognac brandy and Armagnac brandy, alcoholic perfumes and perfumed spirits when in bottles or flasks containing not more than four ounces each, wines of the fresh grape of all kinds, not sparkling, imported in barrels or in bottles, containing not more than 23 per cent proof spirit, or for sacramental purposes, containing not more than 26 per cent proof spirit. These wines get the benefit of the intermediate tariff less the very heavy reduction of 63·63 per cent.

Hon. Mr. SMITH: Can the right honourable gentleman tell us what the intermediate tariff is on wines of this class?

Right Hon. Mr. MEIGHEN: That information is not given in the treaty. I might state to the honourable gentleman that we also covenant that during the life of the treaty we will keep the intermediate tariff on these French goods at as low a rate as we fix for the goods of any other foreign country, that is, any country outside the British Empire.

Hon. Mr. SMITH: And there is a discount of 63·63 per cent off that?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. POPE: Is there anything about whisky blanc coloured with wine?

Right Hon. Mr. MEIGHEN: No; at least not so described. Champagne and all other sparkling wines come under the intermediate tariff less 20 per cent. Advertising and printed matter, on paper or cardboard, printed in France, in the French language, describing and accompanying French products, is given the same rate as the British preferential tariff, and cigarette paper—

Hon. Mr. LEMIEUX: Will the right honourable gentleman excuse me? I should like a little more explanation of that item of advertising and printed matter. Does that refer to books and pamphlets?

Right Hon. Mr. MEIGHEN: "Describing and accompanying French products."

Hon. Mr. LEMIEUX: It is only advertising matter.

Right Hon. Mr. MEIGHEN: Advertising and explanatory matter accompanying the products. The other products admitted under schedule C are: lace, nettings and bobinet, n.o.p., wholly of cotton, intermediate tariff less a discount of 20 per cent; lace and embroideries, wholly of cotton, coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories, intermediate tariff, 17½ per cent;

lace and embroideries, wholly of cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories, intermediate tariff less a discount of 15 per cent; fibres of raffia or of sisal, n.o.p., intermediate tariff less a discount of 20 per cent; lace and embroideries, wholly of flax, or of hemp, or of flax, hemp and cotton, not coloured, imported by manufacturers for use exclusively in the manufacture of clothing in their own factories, intermediate tariff less a discount of 20 per cent; embroideries and lace, whether containing tinsel or not, nettings and bobinet, n.o.p., intermediate tariff less a discount of 15 per cent; women's dress gloves of kid, elbow length, intermediate tariff less a discount of 35 per cent. It will be observed that in the earlier part of what I had to say I gave these various classes in groups.

To illustrate the last two schedules, E and F, to which I have already referred—lobsters are on a quota basis of 9·82 per cent of France's basic global quota. That is to say, as I understand the term, if France puts into effect a global quota—as she has done—for the admission of so many tons of lobsters, then Canada's proportion is 9·82 per cent. Our proportion of other products is: barley, 1 per cent; salmonoids, other than trout, 15 per cent; fresh apples and pears, 3·3 per cent in the fourth quarter and 4·7 per cent in the first quarter; tomatoes, 1·72 per cent; lead, 3·25 per cent; insulating board, 5 per cent; patent leather, 5·42 per cent; calf and other small skins, 1·80 per cent; agricultural machinery, cultivators, spring harrows, horse rakes, 11·58 per cent; harvesters, binders, reapers, 8·28 per cent; other agricultural machinery, 3·86 per cent; builders' and cartwrights' wood, 9 per cent; veneer sheets and leaves, 4·27 per cent; veneers and counter-veneers, 1·60 per cent; passenger automobiles, 12·55 per cent; ice skates, 5·68 per cent.

The list of items under schedule F, on which we get an absolute quota, is short. Porcelain insulators without parts of metal, 30 quintals. I believe a quintal is 220 pounds.

Hon. Mr. CASGRAIN: That is the French measure. A quintal is 112 pounds.

Right Hon. Mr. MEIGHEN: The metrical quintal is 220 pounds. These are the other items under schedule F: porcelain insulators with parts of metal, 50 quintals; electric heating apparatus, including electric stoves, 100 quintals; vacuum cleaners and parts thereof, 10 quintals.

Hon. Mr. BELAND: Will my right honourable friend explain again the meaning of the figures in the column headed "percentages," and state whether it is competent for this House to amend any of the schedules?

Right Hon. Mr. MEIGHEN: I will answer the second question first, because it is the easier. It is not competent for this House to amend any of the schedules; nor is it competent for the other House to do so. This is a treaty; we have to accept or reject it. As to the first question, I shall endeavour to make myself clear. Let me take lobsters again. We seek a market for lobsters in France. France has a quota system applicable to a long range of articles. Global means total.

Hon. Mr. BELAND: A quota of the total imports into France?

Right Hon. Mr. MEIGHEN: Yes. We get in respect of lobsters 9 per cent of that global quota, whatever it may be.

Hon. Mr CASGRAIN: Let me again call my right honourable friend's attention to the word "quintal." It is a very common measure and represents 112 pounds. The 220 pounds is really 100 kilos, not quintals. The wrong word has been used.

Right Hon. Mr. MEIGHEN: In my notes received from the Department I find this notation twice: metric quintal, 220 pounds.

Hon. Mr. BLACK: In the English language a quintal is 112 pounds.

Hon. RODOLPHE LEMIEUX: I am very much interested in the remarks of the right honourable gentleman (Right Hon. Mr. Meighen). In glancing at random over the protocol and the list of items which come under it, I regret to see the use of the word "tariff" between two friendly nations.

Hon. Mr. POPE: Do you want to make a free trade speech?

Hon. Mr. LEMIEUX: Yes.

Hon. Mr. POPE: Go to it!

Hon. Mr. LEMIEUX: It is rather sad for both France and Canada that there should be so many tariff restrictions against commercial intercourse. Of course, I appreciate what was done by the right honourable the Prime Minister when he visited France and obtained these slight reductions in the tariff. We have gained something in so far as wheat and a few other commodities are concerned. On the other hand, we shall have the benefit

of a freer importation of French wines. The wines of France are considered the best in the world. Even our good friends the wine producers of the fertile Niagara Peninsula adopt French names for their products: they advertise their burgundies, their champagnes, their clarets. But there is as much difference between these wines and the choice vintages of France as there is between night and day.

Right Hon. Mr. MEIGHEN: In favour of Canada!

Hon. Mr. LEMIEUX: Yes—excuse me. Do not divert my thoughts. However, I think in the long run it may be quite possible for our friends in the Niagara Peninsula to equal the notable results obtained by the wine growers of California, who in the last twenty-five years have succeeded in putting on the market some excellent wines. I know the Australian and the South African wines. They too are excellent, but, again I say, none of the Canadian, the Australian or the South African are comparable to the French wines.

Now, for the tariff concessions secured from the French Government I thank the right honourable the Prime Minister, and this House should thank him. But there are some omissions in the protocol. Under present conditions there is a greater importation of French books than of French wines. This is borne out by the reports of the various provincial liquor commissions. For instance, I notice that the sales of the Quebec Liquor Commission have substantially decreased. This is because the people of Quebec have not the means to buy French wines; they have become expensive luxuries. But we are purchasing more and more French books, and I am surprised that the Prime Minister, with his love of literature, did not try to persuade the French Government to facilitate this business. I appeal for help to the right honourable leader of this House (Right Hon. Mr. Meighen), who during the past ten years has set a very good example to the youth of Canada. I remember when he could not speak many words in French, yet now he has a good command of the language. How did he accomplish it? By reading French books. But not only do our English-speaking friends need French books; French Canadians themselves need their elevating influence. I am not speaking of the cheap and sordid novels that throughout the world are branded as French books. We all know that many such novels have been falsely represented as originating in France. As a matter of fact this falsification was part of the propaganda instigated in certain quarters against France. Many scientific, medical, engineering and other technical treatises, historical works, dictionaries, and literary productions of outstanding merit are published in France. There should be no bar to their free entry into Canada. Yet the only exception in this protocol is in favour of printed matter in connection with French advertisements.

Right Hon. Mr. MEIGHEN: What is the tariff on French books?

Hon. Mr. LEMIEUX: I forget at the moment, but I know by what we pay the Customs in Montreal the duty is very high. All we ask—and I call the right honourable gentleman's attention to this—is that the same rate be charged on French books from France as is charged on English books from England. I can assure the right honourable gentleman that some of the librarians in Montreal tell me that they cannot afford to provide the public with French literature on account of the high customs duties. I suppose the rate is the same as that against German and other books from foreign countries, but surely if an exception is to be made it should be in favour of English and French books. I again appeal to the right honourable gentleman, who is a French scholar, and whose son also is a French scholar, to facilitate the amendment of our Tariff Act and of this treaty in favour of French books.

I regret that to-day tariff barriers restrict world trade, but particularly do I regret that such barriers should exist between France and Canada. True, France is a highly protected country, but I ask honourable members not to forget that before the War France was the leading nation as regards wealth. It was said that she was the creditor of all nations and the debtor of none. During the War she had to forgo many of her credits, and yet to-day she still leads the nations of the world in gold reserves. The Bank of France is replete with gold coins and gold ingots. The day may come when Canada, France, Great Britain and the other Allies during the late War may have to pull together once more in order to preserve world civilization. I do not predict that day as coming soon, but, judging from current events on the other side of the Atlantic, a storm is brewing somewhere.

An Hon. SENATOR: Turkey.

Hon. Mr. LEMIEUX: Yes, near the Balkans. Perhaps it might be well to have closer commercial relations with France. Before and during the War a large business developed between the two countries, and it seems to me we should do everything possible

to restore that period of commercial enterprise between ourselves and France. I am thankful for what the treaty gives us, but it is very little, and I hope we shall get much more in the way of tariff concessions.

I regret another omission in the treaty: there is no mention of surgical instruments. Our young medical students attend schools of medicine in Paris. The Government of Quebec every year sends thirty or forty young men abroad to complete their medical and surgical studies. Some of them go to London, but the majority proceed to Paris. Those medical students use French surgical instruments and study French technical treatises. In Montsouris park we have our Canadian building, erected under the tutelage of the University of Paris. Many Canadians contributed towards the cost of its erection, and one of our fellow-members, the honourable senator from Sorel (Hon. Mr. Wilson)—I regret he is absent on account of ill-health—made a very handsome subscription. A large number of students from Ontario, British Columbia, the Western Provinces, Quebec and the Maritime Provinces are studying there. When those young men return to Canada they should be encouraged to implement their studies, and again I appeal to the right honourable gentlemen to see to it that, if possible, amendments be made to our Tariff Act in order to facilitate the admission of French books.

Hon. RAOUL DANDURAND: Honourable gentlemen, I have tried to ascertain the tariff rate on French books under the trade agreement of 1933 and under this supplementary agreement. This additional protocol is a considerable improvement on the provisional agreement made in 1933, and I hope it will benefit both countries. I had something to do with negotiating the treaty of 1907. We had to put it under the anvil again in 1908 and agree upon amendments. I was present in Paris with the late Hon. Mr. Fielding, and I know the difficulties of making tariff adjustments.

Although the primary object of a country in tariff negotiations is to further its own export trade, there is the secondary purpose of facilitating importations, and sometimes the imported products are not only important but essential to the importing country.

I intend to limit my remarks to the question raised by my honourable friend from Rougemont (Hon. Mr. Lemieux). Canada can settle that question without in the least amending the present treaty. The importation of French novels is absolutely within our own control. I need not dilate upon the importance of French literature reaching our shores, for one-third of our people rely for the most part on French literary productions. The honourable gentleman's complaint concerns the tariff on French books when imported unbound and described as novels.

Right Hon. Mr. MEIGHEN: What is the tariff now?

Hon. Mr. DANDURAND: It is 15 per cent, but I do not see it in the schedule. Under the provisional agreement of 1933 the rate was 25 per cent. There would appear to be less reason for complaint under this protocol than under the 1933 agreement. I refer only to novels, for under the temporary trade agreement of 1933 textbooks, historical works, and philosophical publications—literary works in general, bound or unbound, have been admitted free.

Hon. Mr. CALDER: From anywhere?

Hon. Mr. DANDURAND: From England and France.

Hon. Mr. CALDER: And the United States.

Hon. Mr. DANDURAND: I am not speaking of the country to the south of us. Novels, unbound, are not treated as if they were literary works. If they were, they would come in free.

Now, how does this work an injury to the readers of French novels? Remember, English and French novels, if unbound, come in under the tariff at 25 per cent, and under this agreement at 15 per cent.

Right Hon. Mr. MEIGHEN: I do not know where the 25 per cent comes in.

Hon. Mr. DANDURAND: Under the 1933 agreement.

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. DANDURAND: Here is the information, according to librarians. They say the English novel is usually bound in cloth or in hard cardboard covers. Being deemed bound, it comes in free. The French novel, on the other hand, is unbound or in paper covers. It pays 15 per cent. In order to show the effect of the treaty I place on record the following illustrations and comparisons, which have been handed to me by persons who are in the trade. Here are the figures as given to me on two shipments of a declared value of $25 each, prior to the 1933 trade agreement.

English Novels

Custom duty	(free)
Sales tax 6 per cent on $25	$1 50
Excise tax 3 per cent on $25	0 75
Total	$2 25

French Novels

Custom duty, 25 per cent on $25	$6 25
Sales tax 6 per cent on $31.25	1 87
Excise tax 3 per cent on $31.25	0 93
Total	$9 05

This makes a total of $9.05 on the importation of $25 worth of French novels, unbound, as against $2.25 on the importation of English bound novels of equal value.

After 1933, under the new trade agreement which confirms the temporary agreement, the same figure of $25 being taken as a basis, the figures would be as follows:

English Novels

Custom duty	(free)
Sales tax 6 per cent on $25	$1 50
Excise tax 3 per cent on $25	0 75
Total	$2 25

French Novels

Custom duty, 15 per cent on $25	$3 75
Sales tax 6 per cent on $28.75	1 72
Excise tax 3 per cent on $28.75	0 86
Total	$6 33

It would appear, therefore, if the situation is as I state it, that under the protocol, which I do not see in the schedules, the importer of the French novel would benefit, because under the 1933 agreement he paid $9.05, and he now pays $6.33. But as against that, the importer of the English novel pays only $2.25. The payment of duty on the French novel increases the sales and excise taxes, because these are based on the price of the goods plus the amount of duty. The sales tax and the excise tax on the English consignment amount to $2.25, and on the French consignment to $2.58. This abnormal situation increases the price of the French books, just because they are unbound. It also places a handicap on Canadian binders, whose foreign competitors are favoured by the application of the duty on unbound novels.

The French novel comprises literary productions of a very high order, and includes quite an array of classical works. In fact, many classical books from the beginning of the eighteenth century to the present day, books which any man with a desire for culture must have on his shelf, come unbound. We have in this country an ever-increasing desire to raise the intellectual level of our people. I shall not repeat what the honourable gentleman from Rougemont (Hon. Mr. Lemieux) has said. My right honourable friend (Right Hon. Mr. Meighen) well knows the advantages of a high culture in both French and English, because he is an apt scholar in both languages.

Right Hon. Mr. MEIGHEN: Oh, no.

Hon. Mr. DANDURAND: It would be unfair, of course, to drop the tax on French novels and leave it on English novels. The French novel and the English novel, unbound, are on a parity, each being subject to 15 per cent. But usually the English novel, being bound, pays nothing, whereas the French novel, which is unbound, pays 15 per cent. That is the crux of the difficulty. I repeat that it would be quite unfair to suggest that the French novel should come in free while the English novel continued, apparently, to be subject to the 15 per cent. But the reply is easy. We need only drop the tax on both. Great Britain and France need not be consulted, because they would be quite willing that the tax on their unbound novels should be wiped out. As to the sacrifice on the part of the Dominion treasury I am quite sure that it would not be great, and that a welcome boon would be conferred on the intellectual people of our country.

Hon. Mr. LEMIEUX: Cannot this be done by customs regulations?

Hon. Mr. DANDURAND: It could be done, I am quite sure; but I am going to ask the right honourable gentleman (Right Hon. Mr. Meighen) to inquire into the matter. The intellectual nourishment of the English-speaking readers of this country does not come exclusively from England—some of it comes from the United States; but that of the French reader comes exclusively from France. I feel quite certain that my right honourable friend, with the vigour which characterizes him in all he undertakes, can find a way of remedying a difficulty which has been the cause of recriminations in every French paper in the province of Quebec.

Hon. Mr. BLACK: Is it not a fact that the binding of French books is more and more closely approximating to the English type?

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. BLACK: And that very soon they will come under the same classification?

Hon. Mr. DANDURAND: Oh, no. Ninety-five per cent, or perhaps more, of the French books come in unbound.

Hon. Mr. CASGRAIN: A soft cover.

Hon. Mr. DANDURAND: And the cost to the importer is heavy.

Hon. Mr. BLACK: I know that.

Hon. Mr. DANDURAND: It works a hardship which cannot be justified when the facts are known.

As I said in opening, under a trade agreement we look for advantages in other markets. But this is a vital matter for the reading public, intellectuals and others, who are seeking to obtain as cheap a product as possible.

Hon. Mr. BLACK: I think perhaps the honourable gentleman misunderstood me. I have been told that the type of binding used for low-priced French books is becoming more and more like that of the English books; and if that type of binding is adopted by the French publishers their books will come in duty free.

Hon. Mr. DANDURAND: As my honourable friend will see, there will be a nice question there as to what sort of binding makes it possible for a book to come in free. It is rather amusing to think that a mere cover should make such a difference.

Hon. Mr. McMEANS: Could you not print the French books in Quebec?

Hon. Mr. CASGRAIN: There are copyrights.

Hon. Mr. DANDURAND: I may say that because these books are not reaching us in large quantities our binders are losing considerable trade.

I believe that my right honourable friend would be doing our part of the country a service—and I am sure he is naturally inclined that way—if he were to suspend the adoption of this convention for a week or a few days and test and verify the data which I have given and the reasons I have stated, in order to find out whether a simple Order in Council would not cure the situation. I leave it to my right honourable friend. I am quite sure that if the facts as given to me, and as repeated daily in the French press of the province of Quebec, prove to be correct, I shall have the support of the right honourable gentleman in favour of action on the part of our own Government to cure this evil.

Hon. G. LACASSE: Honourable members, I do not need to say that I agree with what the previous speaker has said with reference to books, but I beg to correct the honourable gentleman's (Hon. Mr. Dandurand's) reference to the French press. If he made his remark more comprehensive, and referred to the French press of Canada, it would be more forceful. It is about time that honourable members of the Senate, particularly those who are members of the Committee on Tourist Traffic, knew that there is in Canada a French press outside of the province of Quebec. It consists of one French daily and about six or eight weeklies.

Hon. Mr. DANDURAND: I may inform my honourable friend that I was speaking of things that I know about personally. I cannot read all the French publications.

Hon. Mr. PARENT: Do you know La Feuille d'Erable?

Hon. Mr. DANDURAND: Oh, yes. I read it.

Hon. Mr. LACASSE: My purpose in making this reference was to let honourable gentlemen know that there is in this country a French press outside of the province of Quebec, and to suggest to the right honourable gentleman (Right Hon. Mr. Meighen) a distribution of official government advertising throughout the press of Canada. I shall come to that point again on another occasion.

My main object in rising is to emphasize the point raised by the honourable senator from Rougemont in regard to surgical instruments—I might also mention medical books—and to express the hope that the Government will have no hesitation in remedying the situation which has been alluded to. We all know that protection, as the word implies, is for the purpose of protecting national or Canadian industries. I may say at this point that I am not aware of any firm in Canada which manufactures surgical instruments. So I think that if the duties on such articles were reduced no industry in Canada would suffer. It is true that we have industries manufacturing hospital appliances, but I do not know of any which manufacture surgical instruments. Surgical instruments used in Canada to-day come principally from Japan, where they can be bought cheaply, and the United States, as well as from England and Germany, but very few are brought from France. I do not see why France, which has so many historical links with Canada, should be discriminated against when surgical instruments made in far distant countries which have no connection at all with us are for some reason or other given a comparatively big outlet in the Canadian market.

Right Hon. Mr. MEIGHEN: What is the discrimination?

Hon. Mr. LACASSE: If my right honourable friend will allow me to use evasive expression, in which he himself is a past master, I would say it is a negative discrimination. I think that, for the reasons already

advanced by my two honourable friends who spoke before me, the products of France should be—I do not say not discriminated against, but given some privileges.

Right Hon. Mr. MEIGHEN: That is a different thing.

Hon. Mr. LACASSE: Quite so. I have heard my right honourable friend correct himself in the past, particularly in reference to high tariffs, and shorter hours of labour; so I may be allowed some indulgence to-day.

Right Hon. Mr. MEIGHEN: A good example to follow.

Hon. Mr. LACASSE: A great example to follow, yes, and I hope political history will record it. I want to emphasize that in so far as protection for Canadian industries is concerned there is nothing to prevent the Government from giving some privileges to France with respect to surgical instruments. I hope I have made myself clear.

Hon. Mr. DANDURAND: I think the difficulty with respect to surgical instruments is that they come under the Ottawa agreements. Therefore instruments coming from Great Britain are given favoured treatment, while those from France are not.

Right Hon. Mr. MEIGHEN: That is quite true. Dealing first with the question of giving France preference in respect of surgical instruments, I am afraid I am not convinced that the honourable gentleman has made a case. Apparently France gets the same treatment as is given to all countries except those within the Empire, which receive preferences under the Ottawa agreements. But such preferences were part of the price we paid for concessions to us, which have proven tremendously valuable to this country. We should be glad to pay a corresponding price for similar concessions from France. Seeing that we do not give favours to countries within the Empire without exacting compensation, I do not know why we should act more leniently towards France. In the Chamber of Deputies or the Senate of France, so far as I am aware, Canada is not placed in any specially favourable category. We make treaties with France on a friendly basis, but it exacts compensation from us. I do not think that when dealing with business matters in terms of dollars and cents or francs it has any regard for the fact that the French language is spoken so widely in this country. As to wine and wheat and other goods, the French Government makes as hard a bargain as it can. We treat it in the same way and do not complain. I repeat that even within the Empire we exact a quid pro quo, and I cannot see why we should act more favourably towards any outside country than towards one within our own circle. It would not require a very important concession on the part of France to enable us to put into effect a preference on French surgical instruments.

Hon. Mr. LACASSE: I should like to be informed whether books and all kinds of literary works were in different classes.

Right Hon. Mr. MEIGHEN: I thought the honourable gentleman was dealing with surgical instruments.

Hon. Mr. LACASSE: I want to know whether these products or goods were put into different classes.

Right Hon. Mr. MEIGHEN: Oh, yes. We do not mix books and surgical instruments. I was treating of the honourable gentleman's remarks as revolving only around the question of surgical instruments. On the subject of books, I am not disputing what was said by the honourable leader on the other side as to the bound and the unbound novel. I never heard of the matter before. It appears from what the honourable gentleman has said that the bound novel comes into Canada from Great Britain free.

Hon. Mr. DANDURAND: And from France too.

Right Hon. Mr. MEIGHEN: It is not under the Ottawa agreements, then?

Hon. Mr. DANDURAND: No.

Right Hon. Mr. MEIGHEN: The tariff is exactly the same on books from both countries?

Hon. Mr. DANDURAND: When they are bound they come in free from either country.

Right Hon. Mr. MEIGHEN: And when unbound they are subject to a duty of 15 per cent?

Hon. Mr. DANDURAND: Yes.

Right Hon. Mr. MEIGHEN: As I understand from the honourable gentleman's statement, bound novels from both countries are free, but the common practice of France is not to bind novels, within the meaning of our Act; so a duty of 15 per cent is payable.

Hon. Mr. DANDURAND: Yes.

Right Hon. Mr. MEIGHEN: I am not disputing that, but it could never be argued that it is a matter of discrimination.

Hon. Mr. DANDURAND: I have not said that.

Right Hon. Mr. MEIGHEN: When the honourable senator from Rougemont (Hon. Mr. Lemieux) was speaking I feared we had made a grave mistake. For it would be a grave mistake to impose high duties against any literature worthy of the name, and especially against French literature, in view of the fact that French is one of the languages of this country. If a concession were given to any literature, it should be to that of France. I understood the honourable senator's statement that high duties were imposed against French literature was confirmed by the honourable gentleman from Kennebec (Hon. Mr. Parent).

Hon. Mr. PARENT: Because I was under that impression.

Right Hon. Mr. MEIGHEN: I have a copy of the Canadian tariff, revised up to November, 1934, and I will quote the rates applying to different classes of books. Bibles, prayer books, psalm and hymn books, religious tracts and Sunday school lesson pictures, come in free from all countries. Account books bear duties of varying rates, the highest of which is 35 per cent. There is no reason why such books, which are for commercial uses, should be admitted free. Then books, dialogue and recitation, paper covered—I do not know just what kind this refers to—are subject to certain rates, the highest being 25 per cent, but in respect of them there is a special provision. If they are printed in France in the French language they come under the French treaty and a rate of 15 per cent, which is still in effect. So there is no high tariff against them. The next class of books referred to is very important, that is, books on the application of science to industries of all kinds, including books on agriculture, horticulture, forestry, fish and fishing, mining, metallurgy, architecture, electric and other engineering, carpentry, shipbuilding, mechanism, dyeing, bleaching, tanning, weaving, and other mechanical arts, and similar industrial books. They all come in free. Books, embossed, and grooved cards for the blind, and books for the instruction of the deaf and dumb and blind, as well as maps and charts for the use of schools for the blind, come in free, as do books left by bequest. The next item is "books, fly, and parts thereof." But I do not know what that means. Then books, not printed or reprinted in Canada, which are included and used as textbooks in the curriculum of any university, college or school in Canada, and books specially imported for the bona fide use of incorporated mechanics institutes, public libraries, libraries of universities, colleges and schools, or for the library of any incorporated medical, law, literary, scientific or art association or society, and being the property of the organized authorities of such library, and not in any case the property of individuals, are all free.

Hon. Mr. CALDER: Books for all public libraries are free.

Right Hon. Mr. MEIGHEN: Naturally there is a reservation for such of them as are printed in Canada. If they were printed in this country in French the work would most likely be done in French districts, and whatever measure of protection is imposed would be an advantage there. The next item in the tariff is novels or works of fiction, or literature of a similar character, unbound or paper bound or in sheets, but not to include Christmas annuals, or publications commonly known as juvenile and toy books. These are subject to duties of from 15 to 25 per cent, but if printed in the French language in France they come under the French treaty. These are what were referred to by my honourable friend who leads the other side. They pay a duty of 15 per cent.

Hon. Mr. DANDURAND: When unbound.

Right Hon. Mr. MEIGHEN: When printed in French and unbound.

Hon. Mr. BLACK: The same as if from England.

Right Hon. Mr. MEIGHEN: There certainly is no discrimination, for the same rate applies against English books.

Hon. Mr. DANDURAND: I said so.

Right Hon. Mr. MEIGHEN: Yes, I know. Books printed by any government or by any association for the promotion of science or letters, and official annual reports of religious or benevolent associations, and issued in the course of proceedings of the said associations, to their members, and not for the purpose of sale or trade, and college curriculums and calendars, are all free. Printed periodicals and pamphlets, or parts thereof, not including blank account books, copy books or books to be written or drawn upon, are free under the British preferential tariff, and otherwise subject to 10 per cent, but if printed in France in the French language they come in free under the French treaty. Books of New Zealand origin are free, as are books printed in the French language in France, and books

that are settlers' effects. Song books, without music, and showing price of song set to music, are subject to a rate per pound varying from 5 to 15 cents, the general rate not less than 35 per cent. Song books or pamphlets, words without music, are free under the British preferential tariff, and otherwise subject to 10 per cent, but if printed in the French language in France they are free.

Hon. Mr. LACASSE: Those rates apply to books coming from anywhere, except when favourable rates are mentioned, as for France and New Zealand?

Right Hon. Mr. MEIGHEN: Yes. There is a decided advantage for French books of every kind. They are nearly all free, and I do not see any rate higher than 15 per cent applicable to them.

Of course the point raised by my honourable friend opposite should be looked into. But I know of no need for deferring consideration of the treaty, unless he thinks we might exact some concession.

Hon. Mr. DANDURAND: No.

Right Hon. Mr. MEIGHEN: We do not need to apply to France or Great Britain in order to grant a concession.

Hon. Mr. LEMIEUX: That is a matter of regulations.

Right Hon. Mr. MEIGHEN: I should think it would be a matter of change of tariff. The budget comes down on Friday, and I will at once bring the matter to the attention of the proper department. I do not know what the result will be. There may be a good deal more to be said about the tariff rate than my honourable friend has in mind at the present moment. I would emphasize, though, that there is no discrimination against French books. I am unable to understand why the bound book should be free and the unbound not. I should think it would be the other way: the bound book is the manufactured article and one would expect it to carry the higher duty.

Hon. Mr. LEMIEUX: Exactly.

Hon. Mr. DANDURAND: Let me direct the attention of my right honourable friend to the difficulty in which the customs officer finds himself. He looks at the cover and cannot distinguish between a modern novel and a novel that in the course of a century or two has become a classic. I submit something should be done to promote the free flow of books required by French readers.

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

THIRD READING

Right Hon. Mr. MEIGHEN, with the leave of the Senate, moved the third reading of the Bill.

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

ROYAL CANADIAN MOUNTED POLICE BILL

FIRST READING

A message was received from the House of Commons with Bill 9, an Act to amend the Royal Canadian Mounted Police Act.

The Bill was read the first time.

The Hon. the SPEAKER: Second reading to-morrow?

Hon. Mr. DANDURAND: I do not know the nature of the Bill. Is it very simple?

Right Hon. Mr. MEIGHEN: I do not know anything about it, but in advance I will guarantee that it is not very important.

Hon. Mr. DANDURAND: I am told it concerns superannuation.

Right Hon. Mr. MEIGHEN: I thought so.

Hon. Mr. DANDURAND: Then we may take it up to-morrow.

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

THE SENATE

Thursday, March 21, 1935.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Secretary of the Governor General, acquainting him that the Right Hon. Sir Lyman P. Duff, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at five p.m. for the purpose of giving the Royal Assent to certain Bills.

PATENT BILL

THIRD READING POSTPONED

On the order:

Third reading of Bill A, an Act to amend and consolidate the Acts relating to Patents of Invention.—Right Hon. Mr. Meighen.

Right Hon. Mr. MEIGHEN: Honourable members, I am informed that this Bill has not yet been reprinted. I was afraid it would not be. So it is not fair to ask that we proceed with it to-day. We shall have to wait until Tuesday.

The order stands.

ROYAL CANADIAN MOUNTED POLICE BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 9, an Act to amend the Royal Canadian Mounted Police Act.

He said: Honourable members, almost every session we have a Bill to amend the Mounted Police Act. In the present Bill the first section provides for the imposition of pecuniary penalties on members of the force, and for the collection of those fines, or penalties, by stoppage of pay.

The second section amends the law in respect of funding of moneys received from penalties. I presume the penalties referred to are those imposed by reason of desertion or other offences on the part of members of the force, not penalties inflicted on persons outside of the force. Hitherto these moneys have been funded, under the management of the Commissioner, and have been used for such purposes as rewarding good conduct and establishing libraries, recreation rooms and the like. The amendment in this Bill brings about a reservation or exception in the case of money which should go to persons who have suffered injury. It provides that such moneys as are received by way of penalty shall go to the credit of the Receiver General, to be used by him for the purpose of compensating those who suffer. It seems obvious that such an exception should be made.

Sections 3 and 4 are, as far as I can see, the very same as two sections which were in a Bill last session. They provide that members of the Mounted Police who served for any time in the South African War may include that time in their term of service in the force, for pension purposes.

Section 5 reduces from one year to eight months the period within which a constable may elect to come within the pension provisions. If he does not make his election within that time he will not have an opportunity to do so later unless the Commissioner is satisfied that his health is such as would qualify him for enlistment.

Section 6 provides for proportionate benefits to widows and orphans in the event of the death of constables who have contributed less than the full stipulated amount.

The Hon. the SPEAKER.

I do not know what will be the feeling of honourable members with respect to the clauses which were rejected by this House last year, and therefore I propose after the second reading to move the House into Committee of the Whole on the Bill.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Donnelly in the Chair.

On section 1—trial and punishment:

Right Hon. Mr. MEIGHEN: I have explained this section and section 2.

The section was agreed to.

Section 2 was agreed to.

On section 3—officers' pensions:

Right Hon. Mr. MEIGHEN: This provides that time served in South Africa may be included.

Hon. Mr. SINCLAIR: Does this apply only to those who have been continuously in the force since the South African War?

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. SINCLAIR: Also to those who have joined the force since that war ended?

Right Hon. Mr. MEIGHEN: That is it. The honourable senator will remember that when the Mounted Police Bill was under consideration formerly there was no exception to the South African term being included in the case of a man who was a member of the force and resigned or obtained leave in order to go to the war. But this is different, for it includes the time served even in the case of a man who first enlisted in the force years after the war ended. All that can be said in favour of it, at any rate all I have heard in favour of it, is that there is a similar provision in other countries of the Empire, and, I believe, also here in connection with the permanent militia. That organization is somewhat different from the Mounted Police, which is a civil force. As Government representative I am sponsoring the Bill, though I could not justify this clause when it came up a year ago, nor do I feel a bit more able to do so now.

Hon. Mr. SINCLAIR: Perhaps the right honourable gentleman can tell us whether this would apply to many members of the force.

Right Hon. Mr. MEIGHEN: I am told that it would apply to two and possibly, though not likely, to as many as five. The number involved is a small matter, I admit. The question is wholly one of principle.

Hon. Mr. MOLLOY: Does this mean that a man who served, say, two years in South Africa and enlisted in the Mounted Police eight, ten or fifteen years afterwards, would have his South African service counted?

Right Hon. Mr. MEIGHEN: For purposes of pension.

Hon. Mr. MOLLOY: I say that is most unfair. There is neither sense nor reason in it. It is somewhat like a matter that was brought up here last year in regard to a man who left the force and afterwards came back. If I have committed one sin since I became a member of this House, it is that I did not oppose that measure. In defense of the proposal the honourable senator from Edmonton (Hon. Mr. Griesbach) said the man in question had to send his children six miles to school, or else move six miles from where he was situated in order that his children might attend school. As a matter of fact, my five children had to go six miles to school, whether by rail or auto, and I paid the cost of their transportation. The other man reserves the right to have the Government pay for his children.

So far as this amendment is concerned, I say let a man's service date from the time he joined the force. It is a credit to any man to be able to enlist in the Mounted Police, and a further credit to be able to remain in it.

Hon. Mr. GRIESBACH: Honourable senators, I looked up the discussion which we had on the Mounted Police Bill in 1933, when the same clauses came up and were rejected. It is true that a man who had served in South Africa and joined the Mounted Police fifteen years afterwards would receive the benefit of this clause. I have asked the Mounted Police to supply me with the dates of enlistment of the men who would be affected, and I shall probably have that information to-morrow. It is fairly obvious that as a matter of fact it would be almost impossible for a South African veteran to join the force fifteen years after the war ended; for he would hardly have been younger than twenty-three at the time of his discharge, and fifteen years later he would probably be at least thirty-eight—too old to be accepted by the Mounted Police. The figures would likely show that the men affected became members of the Mounted Police not later than four or five years after the termination of their South African service. While the section would include a man who joined fifteen years after the war ended, as a matter of fact it would be impossible for him to do so.

The analogy upon which these clauses are based is, first of all, the law which exists with respect to the permanent militia. In that connection the law provides that a man who served in the South African War and subsequently joined the permanent force shall be credited with his war service in the computing of his pension. Why not? In both cases he has been engaged in the military service of Canada.

For an examination of this question I would take honourable members back from the present phase of the discussion to the time when men were being enlisted for war. The situation had an entirely different face then.

Let us consider the case of enlistment in the Mounted Police or any other force. Suppose a man joins the Mounted Police a few years after the termination of the South African War. First of all, what happens to him? He goes to Regina for a six-months intensive course of training, and then a probationary period of six months or a year elapses before he is considered fit to discharge police duties. Let us assume that two, three, four or five years after the South African War five recruits present themselves at Regina, of whom two have had two or three years' service in the South African War and three have had no service at all. The recruiting officer would immediately select the two ex-soldiers. And why? Because he knows that, the other three men having had no military training, the Government of Canada would have to maintain them for six months while they were receiving preliminary training, and for a further six months or a year while they gained the experience required to fit them to function as Mounted Police constables. The two ex-soldiers can be taken into the service and almost immediately assigned to police duty. Consequently the country is saved the expense involved in training absolutely raw recruits. It is obvious that the Mounted Police authorities are delighted to recruit men who have already received the training necessary before they can be turned loose as police constables. Therefore, when it comes to a computation of service for pension purposes, it is considered a matter of fairness to those men that their period of service in the South African War should count.

Now, as the right honourable leader of the House has said, the number of men who would benefit by this amendment will not exceed half a dozen. To-morrow I should know

exactly how many will be affected, and I should know also when they joined the Mounted Police; in other words, the time which elapsed between the termination of their South African service and their enlistment in the Mounted Police. I venture to assert that those men spent the intervening period in the military service of this country. I happen to know three or four of them, and I think I can say that also with respect to the others. There is also to be considered the value of those men as trainers of other recruits by precept and example—the influence of their prestige amongst the other members of the force. All this ultimately redounds to the benefit of the country generally.

Then I draw attention to another fact, that whatever in the past may have been the attitude towards pensions, there is today a growing feeling throughout the Dominion that it does not make any difference whether a man has served in the Department of Public Works, the Department of the Interior, or any other department of Government; his service to the Government is what counts. Hence we have a provision in the law with respect to civil service pensions that a man who has served in one department of Government and then is transferred to another department shall have the two periods of service combined in the computing of his superannuation. This principle applies also to the man who served, we will say, ten years in the Mounted Police and thereafter entered another department of Government.

The Bill covers the case of a man who served in the South African War. True, it is military service, but it is also governmental service. I have pointed out the value of such a man to the Mounted Police and to the country. Further, I have pointed out the saving of money involved in the recruiting of a trained, experienced man. Upon these grounds I submit we are justified in passing this legislation.

My right honourable friend stated that the Mounted Police was a civil force and for that reason its members should not be permitted to count their military service in computing their pension rights. I admit that the Mounted Police performs civil functions. But the force was originally organized along military lines, and it has maintained its military organization. At this very day the officers of the Mounted Police hold commissions in the militia service of Canada, and the Mounted Police Act stipulates for their corresponding military rank as Mounted Police officers. The connection between the Mounted Police and the military service has always been very close, and I submit that in the interest of the Dominion this is desirable. The Mounted Police constitutes the largest armed force we have, and one of its advantages has always been that while its primary purpose is to discharge civil duties, it can overnight be turned into a military force. I repeat, it is in the national interest to maintain the connection of the Mounted Police with the military forces of Canada.

The amount involved is comparatively small; about $800 a year, as far as can be ascertained. Of course, the amendment applies only to men of a certain age. These men, not more than ten at most, are approaching the termination of their police service. The amendment does not apply to further enlistments. The age limit is the determining factor. The South African War terminated in 1902, and none who saw service in that campaign could have been younger than 23 at that time. The age limit for joining the Mounted Police is between 22 and 26 years. Therefore what we are now discussing applies only to a number of men who have served some thirty or more years in the Mounted Police and are approaching the termination of their engagement. As I say, the amount of money involved is small, and while the matter may not appeal to honourable members, it does appeal to those members of the force who served in the South African War. Those in charge of the Mounted Police perhaps understand much better than do honourable senators the exact value of those men to the Mounted Police at the time they joined the force. I would ask, then, that honourable members adopt my suggestion not to look at the matter from this end, but rather to consider it in retrospect as it presented itself when these men were welcomed to the force because of their military training and experience.

Hon. Mr. BLACK: May I ask the honourable senator from Edmonton a pertinent question? I have no doubt many men who served in the Great War are now coming into the Mounted Police force. If we pass this measure do we not establish a precedent which automatically would apply to any of those war veterans who become members of the Mounted Police?

Hon. Mr. GRIESBACH: No, not automatically.

Hon. Mr. BLACK: Well, potentially it would be automatic. By thus opening the door now would it not become practically impossible for the Government to close it

again? The principle of the Bill may be all right, but to my mind it could be extended to cover those who served in the Great War.

Hon. Mr. GRIESBACH: The answer is, this proposed legislation deals specifically with, at most, ten men who served in the South African War, later joined the Mounted Police, and are now completing some thirty odd years' service. Whether the principle involved in this Bill might be subsequently extended to an amendment of the Mounted Police Act fifteen or twenty years hence I cannot say. I should prefer that the Senate deal with that question at that time rather than now. This is the present situation. The present age for enlistment in the Mounted Police is between 22 and 26 years. Consequently if a man finished his Great War service in, we will say, 1918, when he was 22 years of age, by 1924 he was too old to join the Mounted Police. That is a matter not of law, but of practice.

Hon. Mr. GILLIS: Is that always adhered to?

Hon. Mr. GRIESBACH: I think so.

Hon. Mr. GILLIS: I do not think so.

Hon. Mr. MURPHY: It is not.

Hon. Mr. GRIESBACH: Officially the range is from 18 to 40 years of age, but for the last four or five years, by reason of the depression and the consequent lack of employment, there has been such a fine type of men seeking enlistment in the force that the authorities are able to pick their men between 22 and 26 years of age. There are 6,000 on the waiting list. As a result the Mounted Police authorities are exacting a very high standard as to height, weight and education. In fact applicants must have university matriculation.

Hon. Mr. BELAND: And those men are in perfect physical condition.

Hon. Mr. GRIESBACH: Yes. Never before throughout its whole history has the Mounted Police been able to get such a high class of recruits. That, of course, is a mere aside. My honourable friend raises the question of what we may do twenty years hence.

Hon. Mr. HUGHES: Or next year. Might it not necessarily come up next year?

Hon. Mr. GRIESBACH: No. Assuming the maximum age at which a man can join the Mounted Police to-day is 26 years, no soldier who served in the Great War would be eligible after 1924. It may be that the 26-year age limit has not been in effect ever since 1924, but for the last two or three years at least it has been rigidly imposed.

Hon. Mr. HUGHES: That would debar a man from joining.

Hon. Mr. GRIESBACH: Exactly. No man who served in the Great War would be able to join the Mounted Police to-day; he would be too old.

Right Hon. Mr. MEIGHEN: What about those who have already joined?

Hon. Mr. GRIESBACH: Ten or fifteen years hence the situation in retrospect would be much the same as it is to-day. During the Great War the Mounted Police Force had shrunk to about 700 men. In 1921 its strength was brought up to 1,900 men. What was the attitude of the officers of the Mounted Police at that time with respect to recruiting? It was this: "Give us recruits who served in the Great War and have had the benefit of military training and discipline." Accordingly, in every case preference was given to men who had served one, two or three years at the front. Why? For the very same reason that before 1914 they had accepted men who had served in the South African War. The recruits of 1921, men with thorough military training and war experience, were put on police duty almost immediately on enlistment, and the country was spared the expense of training some thousand men over a period of from six months to a year. If ten years from now we have before us a Bill providing that service in the Great War shall be added to the Mounted Police service in the computing of pension rights, I shall advance precisely the same arguments as I am advancing to-day in support of such legislation. I shall support that legislation when it comes. But I prefer to wait until that time before advancing all the arguments I have in favour of it. Meanwhile we are confined to the Bill before us, and I strongly support these proposals, for the reasons I have given.

Hon. Mr. GILLIS: How long have these educational requirements been in effect?

Hon. Mr. GRIESBACH: About three years.

Hon. Mr. GILLIS: I know that during the past two years many men have been admitted who have not possessed those qualifications. They were admitted because they were physically and in some other respects well qualified.

Hon. Mr. GRIESBACH: I am taking the general qualifications. I know of the case of a man who is likely to be admitted shortly. He is grade 9; he speaks French, English and Cree; he is a horseman, a motor mechanic, and an experienced boatman. I fancy they will waive the university matriculation to get a man of that sort. I agree with that.

Hon. Mr. HUGHES: I do not quite understand the honourable gentleman's speech. If his proposal is that in the matter of pension the years spent by a man in the South African War should count in his favour when he is a member of the Mounted Police, I am inclined to favour it. But if it is that the years between the time when the man was a soldier and the time when he became a member of the Mounted Police be included, I have some doubt about it.

Hon. Mr. GRIESBACH: It is not.

Hon. Mr. HUGHES: Then I am inclined to favour the legislation. I would also favour legislation that would include the man who served in the Great War.

Hon. Mr. SINCLAIR: I think we are losing sight of the fact that in this section we are asked to adopt a principle that may have a very wide application, and that if we adopt it in relation to one or two men, or half a dozen, who are near the point of retiring, we may be asked later on, from time to time, to apply the same principle to men about to retire who have served in the Great War. Furthermore, the application of the principle is not limited to that possibility alone. We have in this country many civil servants, who, for the purposes of retirement allowance, may want their years of service in the Great War added to the time they have spent in the Civil Service.

Hon. Mr. GRIESBACH: We have that now. In the case of any civil servant who took part in the Great War there is included in the computation of his civil pension the period during which he served as a soldier in that War.

Hon. Mr. SINCLAIR: Does my honourable friend refer to those who have joined the Civil Service since the War?

Hon. Mr. GRIESBACH: Oh, no. I may have misunderstood the honourable gentleman. I thought he was suggesting that time served in the Great War should be added in the computing of the pension. I was drawing attention to the fact that a man who was a member of the Civil Service when the War broke out, and who joined the military forces, would be credited with the time spent with those forces when it came to dealing with his civil pension.

Hon. Mr. SINCLAIR: I quite understand the explanation, and I thank the honourable gentleman for it. I think the same thing was true of those who were serving in the Royal Canadian Mounted Police. The time they spent in military service in the South African War counted in their period of police service. But under this Bill we are applying the principle to men who were not in the Royal Canadian Mounted Police before the South African War, and who did not come into it for some years afterwards.

Hon. Mr. GRIESBACH: Only two or three years.

Hon. Mr SINCLAIR: We are now giving them the right, for pension purposes, to add their war service to their service in the police, I take it. Have we not given an extra bonus to South African veterans?

Right Hon. Mr. MEIGHEN: Land grants.

Hon. Mr. SINCLAIR: Yes, land grants. If we adopt this principle now, the result will be that when others, who may have joined the police two years after the Great War, ask that their war service be included in the computing of their retiring allowance, there will be no ground for refusing. The same principle would be applicable to any branch of the Government service. I do not see any ground upon which we could say that it should apply to one branch and not to another.

This legislation seems to me to be of a personal nature, to suit the purposes of one or two men who want to retire; but as time goes on we shall continually find ourselves confronted with cases of members of the force who, perhaps because of sickness or some other disability, want to retire before having completed the number of years' service necessary to entitle them to a pension. We are inviting them to do this very thing. We should be very careful.

Hon. Mr. CALDER: I think the honourable senator who has just taken his seat has put his finger on the real objection to this measure. I do not know that I shall oppose the Bill, but it seems to me that it is fraught with danger. As the honourable gentleman has said, we have a Civil Service whose entire membership watches any move of this character which may be made by Parliament.

Hon. Mr. HUGHES: Could it, by any possibility, be applied to the Civil Service?

Hon. Mr. CALDER: The point is not that this particular provision of the present Bill could be applied to the Civil Service. But under the provision for superannuation there are many who are not entitled to receive what others will receive, and every time Parliament makes a move of this kind to loosen up, the Civil Service will say: "This is our chance; let us dig in."

Hon. Mr. MOLLOY: Hear, hear.

Hon. Mr. CALDER: Let me give an illustration. The other day I picked up the estimates and saw there an item providing for the payment of $300 each to six men of the Mounted Police who had served in the Rebellion of 1885. To-day Parliament is moving to pay to those men, who are still living, $300 apiece for something that occurred fifty years ago, when I was a small boy. There must have been other men who served under the same conditions, and who are now dead. Why would not their heirs be entitled to put in a claim? You can see at a glance what this sort of thing may lead to.

Hon. Mr. GRIESBACH: There is no residuary claim to a pension.

Hon. Mr. CALDER: There might be. You cannot tell what people will claim in these days.

Hon. Mr. PARENT: Does the honourable member say that these men are being paid $3 a day?

Hon. Mr. CALDER: A lump sum of $300 each.

Hon. Mr. PARENT: And they get food and fuel and everything else?

Hon. Mr. CALDER: They took part in the Rebellion of 1885, fifty years ago. Provision was made for those men by way of scrip. Some of them took advantage of it; some did not. In any event Parliament at the present session is making provision for the payment of $300 each to six men.

It is said that only a very few men in the force took part in the South African War and would therefore be entitled to come under this provision. But, as has been remarked, hundreds of men have come into the force since the Great War. If we make this provision at the present time there is no question as to what Parliament will have to do in the future so far as those who came into the force after the Great War are concerned. In other words, we might as well make a blanket provision now under which any person who has served in any war would be entitled to have his service counted.

Hon. Mr. HUGHES: Is it not only the time spent in the war that counts?

Hon. Mr. CALDER: That is all.

Hon. Mr. BELAND: My honourable friend overlooks the fact that there is a special Act which deals with the men who served in the Great War.

Right Hon. Mr. MEIGHEN: There is also provision for those who served in the South African War.

Hon. Mr. CALDER: That is quite apart from this matter. A man who served in the South African War or in the Great War may be entitled to a certain pension, no matter what he has done afterwards. There is provision for that. But this Bill declares that if a man happens to join the Mounted Police he is entitled to have included in his service with that force the time that he served in the South African War. I say it is only fair and reasonable, if we now make this provision for the man who took part in the South African War, that we should at the same time take care of the man who served in the Great War, and not leave it to some future Parliament to do so.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CALDER: If we do leave it, I do not think there is much question as to what a future Parliament will do.

I say again that I appreciate the services of the Mounted Police. I have lived near it and with it in the West all my life, and I know its value. I know the kind of force it is and what service it has given to the people of Canada. The passing of this legislation will not make any difference at all as to that force; I think it will continue to serve the people of Canada well. But the danger is that we may do something here which will affect other branches of the public service.

Hon. Mr. MOLLOY: Hear, hear.

Hon. Mr. CALDER: We also have a Civil Service, and on our Statute Book there are certain laws dealing with what the members of that service are entitled to in pensions, allowances, superannuation and insurance. Once we begin to depart from the principles upon which these things are founded, there is danger.

Hon. Mr. PARENT: What are those principles?

Hon. Mr. CALDER: I cannot say off-hand, for I have not given the matter consideration, but I know that all these laws are founded on principles. So far as I personally am concerned I am not going to oppose this provision in the Bill, but I think we should be quite frank with one another and inquire where it is going to lead. I should like to see the matter more fully discussed. It is probable that we should decide as a principle that any man who served in the South African War or the Great War, or who serves in any

future war, and who is or becomes a member of the Mounted Police, should have his war service counted for pension purposes. I dare say we should do that, but I do not know.

Hon. Mr. PARENT: I give credit to a man who has served in any war, but if such a man obtains a well paying position with a private individual or company is he still to be dependent upon the State? That is the question. Many men who are receiving a greater salary than they ever earned before are coming and asking the country to help them. Is it just that we as a country should pay them a pension when from other sources they are earning more than they ever did before?

Hon. Mr. CALDER: Let us consider this instance. Suppose two Canadians enlisted for South Africa on the same day, spent two or three years there and came back to Canada immediately the war ended. Within a month one of them obtained a good clerical position in our Civil Service, and on the same day the other joined the Mounted Police. Under the law the civil servant will be entitled to a certain superannuation upon his retirement, but the time he spent in South Africa cannot be included for the purposes of computing that superannuation. Yet under this Bill it is provided that the man who enlisted in the Mounted Police shall have his war service counted for pension purposes. Do honourable members think that, should this become law, South African veterans who are in the Civil Service will not be asking Parliament for a similar concession?

Hon. Mr. BELAND: Very likely.

Hon. Mr. PARENT: The man who joined the Mounted Police would have been earning money in the interval after the war. His time for pension purposes should be counted from the date that he became a member of the force. He should be given no privilege that is not extended to other men. The officials responsible for his admittance should have known whether he was properly qualified or not; and once he was accepted he should have become eligible for the same benefits—and only the same benefits—available to all other members. Here let me pay my respects to the Royal Canadian Mounted Police, which is a very fine body of men.

Hon. Mr. MOLLOY: Honourable senators, I am opposed to this clause on two grounds. First of all I object to it on principle. Secondly—and I want to be frank, honest and aboveboard in saying this—I object to it because the honourable senator from Edmonton (Hon. Mr. Griesbach) is in favour of it.

The honourable gentleman is, as I told him to his face on one occasion, one of the most inconsistent men I have ever known. Some years ago he was the father of a Bill in this House respecting sweepstakes, and he asked me to support it. I remember the matter distinctly, and he remembers it better than I do. I was in favour of the measure from the ground up, and I did support it. Being a somewhat silent member of this House, I did not speak in favour of it, but I voted for it in a straightforward, honest and sincere way. At a later date, when I did rise and express my support of a similar measure, my honourable friend opposed it and voted against it. I told him in the corridors that he was the most inconsistent man I had ever known. "Well," he said, "I had to support my own sweepstakes." What did that mean? I have yet to find the answer.

Now I come to this clause under which some men would receive certain benefits. Well, they are not going to receive them with my support. We have been told about men who served in South Africa and in the Great War. Among those I knew were many who were not spared to come home again. Here is a question. Did the men who went to South Africa or who enlisted in the Great War in defence of the Empire do so for pay or for patriotism? That is the point; that is the milk in the coconut. If any of them went for pay, why should they be recognized at all? As I understand it, a real man goes to the defence of his country for patriotism and not for pay. Now it happens that we are dealing with a clause that would affect a number of men—I do not care whether the number be small or large. Every one of them was either a patriot or not a patriot. This country did not force any man to go to the South African War; any service that was given was entirely voluntary.

The honourable senator from Saltcoats (Hon. Mr. Calder) struck the nail on the head when he said, in effect, that we are likely to cause trouble if we fail to treat all former soldiers alike in our services—if we make flesh of one and fish of another.

Take the case of a man who went to the South African War in 1899 and came back in 1902. First of all, he was lucky to be able to come back, especially if he was as well as before. Let us say he went into some business which did not suit him and did not pay. It appears we all are materialistic. If we would only admit it, we are all pretty much out for what we can get. That certainly is pertinent to this measure. A man does his duty

if he serves in a war for patriotic purposes; he does not do his duty if he serves just for pay. Suppose in the instance I am giving the man served just for pay. He came back, and, as I say, went into some business which did not make money. Then he looked towards the Mounted Police, which have a record all their own, and he said: "I am a young man. I am not very particular as to what may happen in the future. I have no fears and no responsibilities; so I will enlist in the Mounted Police."

That force is the greatest one of its kind the world has ever known. The honourable senator from Edmonton need not tell me anything about the Royal North West Mounted Police, as it was formerly known. I have lived in the Northwest longer than he has, and longer than any other honourable member of this House, and I am proud of the fact that I have known the North West Mounted Police from the time I was so high. They are a wonderful body of men, who have won for themselves the admiration of the whole civilized world. Listen to the commentators on the American radio programs. Almost weekly something is said in praise of the men who are known throughout the world as the Royal Canadian Mounted Police. I take off my hat to the living and the dead of that force. I sat in Parliament for fifteen years with a man who had been a member of the Mounted Police. I knew him better than anyone in this Chamber did, and I can say that he was a man from the ground up. I will not consent to dishonouring the record of the Mounted Police by allowing this measure to pass without my protest. Men who enlisted in the North West Mounted Police and remained in the force until the time of their retirement, who followed the dog train, the Indian, the criminal, who crossed the river in the course of their duty, who gave their best at all times, should be treated as well as men who went to South Africa and four, six, eight or ten years later joined the Mounted Police. Those who remained on the force were prepared to sacrifice their lives at any time, and in the early days their pay was a mere pittance. Yet they performed deeds that have never been equalled by any other force in the world. They were known and respected from the Atlantic to the Pacific, from the 49th parallel to the Arctic regions. I say it is unfair to pass this measure. It would be an insult to the members of the force who served steadily and never asked a favour of any man, white, red or black.

Hon. Mr. HUGHES: I should like to ask a question of the right honourable leader of the House, who takes a sane view on nearly every subject that comes before him and whose explanations are usually very clear. Is there any possibility that legislation along the line proposed here may have the far-reaching effects feared by the honourable senator from Saltcoats (Hon. Mr. Calder)? The matter is a serious one, for it would be no light thing to open wide the door as he suggests we are in danger of doing. For my own part I cannot see any possibility of such danger in this measure.

Hon. Mr. CALDER: Take the illustration I gave you. Two men are in the employ of the Government of Canada, one a mounted policeman, another a civil servant. We say to the mounted policeman, "You will not be required to serve the full length of time to qualify for superannuation." To the civil servant we say, "You must serve the full length of time."

Hon. Mr. HUGHES: Because the mounted policeman has performed a similar service in another way, to the great advantage of his country. As I see it, the civil servant has not done so.

Hon. Mr. CALDER: The two men served the same length of time in the South African War. They come back to Canada. One happens to go into the Mounted Police force, the other into the Civil Service.

Hon. Mr. HUGHES: The first man enters a service similar to what he has already been engaged in. The other man is in an entirely different position.

Hon. Mr. CALDER: You are placing it on the ground of similar service?

Hon. Mr. HUGHES: Yes.

Hon. Mr. CALDER: Why?

Hon. Mr. HUGHES: Because it is a similar service.

Hon. Mr. CALDER: If we have both served in the South African War, and I happen to go into the Mounted Police force and you into the Civil Service, why should I be treated differently from you? I am putting forward the honourable gentleman's own argument.

Hon. Mr. HUGHES: I am looking at it in a different way. If I am wrong I am willing to be corrected. The Mounted Police service is to a large extent a similar service, performed in Canada; the other is not. If I am wrong in that, I am wrong altogether.

Hon. Mr. CALDER: I cannot see any great similarity in the service.

Hon. Mr. HUGHES: I should be glad if the right honourable leader of the House could see his way clear to explain this matter. I want to give an honest vote; I want to do what is right. From my point of view the men who volunteered to serve their country in the South African War or in the Great War should be regarded as in a different classification altogether. That is the way I look at it.

Hon. Mr. CALDER: Where is the difference?

Hon. Mr. HUGHES: I think there is a difference.

Right Hon. Mr. MEIGHEN: Honourable members, as representing the Government in this Chamber, I sponsored the Bill, and therefore I feel it my duty to say whatever can be said fairly and rightly in its support. I think the duty corresponds in some degree to that of the representative of the Crown at an assize court.

Hon. Mr. GRIESBACH: The Crown Prosecutor.

Right Hon. Mr. MEIGHEN: He is called the Crown Prosecutor. As a matter of fact he is not a prosecutor. He is merely representing the Crown in the presentation of facts. When a similar measure was before this House two years ago I was unable to convince myself that it was justified. We declined to pass that Bill. I can find in the records of the other House and in the explanatory notes of the Bill itself nothing at all in the way of additional argument to that adduced two years ago. I admit, and shall bring it in a little later, that the senator from Edmonton (Hon. Mr. Griesbach) has brought to our attention a consideration of some importance and deserving our thought. I cannot say it is of sufficient force to change my mind.

Now, what are the principles which should govern? We are asked to be good enough to allow a mounted policeman who served in the South African War and who some time after—we will assume one, two, three or four years—joined the force, to have the time he served in South Africa counted with that served with the Mounted Police in the computing of his pension rights. We are given as a reason the fact that already we have made a similar concession to one who served in the South African War and later joined the permanent militia. The analogy is close. If we are to reason only by way of analogy, possibly a case can be made out. I do not think the analogy is exact, for while there is some similarity in the two services, the Mounted Police is a civil force. But presuming there is a close analogy, are we sure an error was not made in the case of the militia enlistment?

Hon. Mr. MOLLOY: Hear, hear.

Right Hon. Mr. MEIGHEN: Why should we treat men who served in a war, if perchance after the war they join a certain kind of service, differently from those who do not join that certain kind of service? Should not all men who have served their country in a war be put on precisely the same footing? If they suffered injury they are put on the same footing, regard being had, of course, to their status and their disability. But why should their occupation after the war affect the recognition the country gives them because of that war service? What has the occupation after the war to do with it at all, whether in the militia or in any other governmental department? Why, as between those who come there and those who do not, should it create a distinction in the recognition the country gives them for their war service? If there is a reason I do not know of it.

Hon. Mr. GRIESBACH: Will my right honourable friend allow me to interrupt him? I should like to point out that those men were welcomed into the Mounted Police because they were specially trained and thus immediately qualified to discharge their duties.

Right Hon. Mr. MEIGHEN: I was just reaching that point. Something approaching a reason is advanced by the honourable senator from Edmonton. He says: "Ah! they are better qualified; their war service makes their service in the Mounted Police a better service, and it saves the Government the expense of training them for police duty." If that is the case there should be some reward due to the saving of expense, and not attributable to this irrational relationship of their war-time service. They might have been in the war for three years and yet be no good at all in the Mounted Police—not worth a cent.

Hon. Mr. MOLLOY: Hear, Hear.

Hon. Mr. GRIESBACH: But the fact that they have been in the Mounted Police service for the best part of thirty years would show that they passed the tests satisfactorily.

Right Hon. Mr. MEIGHEN: Yes. But their service in the South African War is not a reason for adding the time served there to the period of their service in the Mounted Police for the computation of pensions.

Hon. Mr. HUGHES: Is not that the whole thing?

Right Hon. Mr. MEIGHEN: If they deserve compensation because they are better qualified, they should be compensated for that reason, and in a different way; not merely because of the years they served in the South African War.

Hon. Mr. SINCLAIR: May I suggest to my right honourable friend that this is provided for. If those men were better qualified for Mounted Police duty they would receive compensation by advance in rank and corresponding increase in remuneration.

Right Hon. Mr. MEIGHEN: I should think that is correct. It had not occurred to me. They would be better qualified, their advance would be more rapid, and consequently their reward would be accelerated. But suppose the argument advanced by the honourable senator from Edmonton is to hold—and it is the nearest approach to a reason for making a distinction. For that argument I am grateful to him. I have asked honourable gentlemen who I thought were competent to give me reasons to help me with this Bill, but they have not been so resourceful as the senator from Edmonton. Let us pursue his argument further. Here is a man back from the Great War. He was a paymaster. He performed a good deal of clerical service as such, and perhaps never got out of England. He had four years in the systematic work of paymaster, which would teach him office organization. He returns to Canada and gets into the Civil Service, and because of that clerical service overseas he is better qualified. Is that a reason for adding the whole time he was overseas to his time in the Civil Service for computing his pension? Not at all. He gets an initial advantage over other men in entering the Civil Service, and later he gets a further advantage because he receives promotion more rapidly by reason of his greater experience. It seems to me his overseas service is already recognized to the full. I do not like making a distinction between men who have served in a war on the basis of the occupation they get into after the war. There seems to be no principle of right behind it. Consequently my sympathies are with those who oppose these two clauses.

Hon. Mr. SINCLAIR: There is another point we might consider with regard to adding time for computing pension. Under the Mounted Police Act, if I understand it rightly, the members of the force do not contribute towards their pensions as do civil servants.

Right Hon. Mr. MEIGHEN: I do not know as to that. I always thought they did.

Hon. Mr. GRIESBACH: There are three forms of pension. Commissioned officers contribute to a superannuation fund by way of a deduction from their pay of 5 per cent.

Hon. Mr. SINCLAIR: That is similar to Civil Service superannuation.

Hon. Mr. GRIESBACH: Yes, but it is a separate fund. Non-commissioned officers and other ranks have no pension fund which they themselves subscribe to; their pension is provided by the Government on the basis of service. The third form of pension is provided by the non-commissioned officers and men themselves to take care of widows and orphans of members of the force.

Hon. Mr. SINCLAIR: Is it voluntary or statutory?

Hon. Mr. GRIESBACH: The administration is provided for by statute. By section 5 of the Bill a member of the force must within eight months elect whether he will contribute to this fund. So you are discussing: first, a superannuation fund for commissioned officers which is paid for on a contributory basis; secondly, a pension fund for non-commissioned officers and men, which is provided by the Government; thirdly, a fund for widows and orphans, supported by the men.

Hon. Mr. SINCLAIR: Will the honourable senator from Edmonton state how much will be added to the retiring allowance by counting the time served in the South African War, and how much will have to be contributed by the officers?

Hon. Mr. GRIESBACH: A commissioned officer will have to pay into the fund a sum of money sufficient to cover the period which he claims on his South African War service. If two years, he will be required to contribute 5 per cent of his pay for that period in order to put his contribution to the fund on a proper basis.

Hon. Mr. SINCLAIR: Is it 5 per cent of his present rate of pay?

Hon. Mr. GRIESBACH: It will be 5 per cent on the rate of pay he had at that time. It is estimated that an officer will be required to pay $54.75 per annum.

Hon. Mr. SINCLAIR: Is the honourable senator referring to the rate of pay received by the officer during his service in South Africa?

Hon. Mr. GRIESBACH: It is the rate of pay which he received at that time. Assuming he served as a sergeant at ten shillings a day

and is now a commissioned officer in the Mounted Police, he would pay $54.75 for each year of service to place himself in proper relation to the superannuation fund. Non-commissioned officers and men do not pay anything; they come under the statute. For eight officers, in the event of their being pensioned, it would cost the Government $863.80 per annum.

Hon. Mr. SINCLAIR: For those who would come under this measure?

Hon. Mr. GRIESBACH: Yes.

Hon. Mr. SINCLAIR: How much will they have to pay in to entitle them to that?

Hon. Mr. GRIESBACH: It depends on the rank at which they retire. If a man retires with the rank of a commissioned officer he will have to pay into the superannuation fund; if he retires with the rank of sergeant he will not have to pay anything.

Hon. Mr. SINCLAIR: Honourable gentlemen, I think my honourable friend might well have furnished the Committee more direct information. He knows who the men are and their rank.

Hon. Mr. GRIESBACH: No, I do not know who they are, and I cannot say now what will be their rank when they retire, because some may be promoted in the meantime.

Hon. Mr. SINCLAIR: Will the honourable gentleman be able to give the amount of money involved in the retirement allowances? I do not see how you can figure one without the other.

Hon. Mr. GRIESBACH: Will my honourable friend repeat his question?

Hon. Mr. CALDER: The point the honourable senator has made is simply this. We have not sufficient information before us to deal intelligently with these clauses. In fact we do not know what we are dealing with. Who are these men? How long have they been in the service? How long did they serve in South Africa? What salaries are they getting? What remuneration did they first get when they entered the force? In a sense we are asked to vote in the dark. We should have this information definitely before us, so we may know exactly what we are doing.

Hon. Mr. GILLIS: All details.

Hon. Mr. CALDER: The right honourable leader has had to leave the Chamber. He suggested to me that the Committee should report progress. The further the discussion has gone and the more I have thought about this thing, the more I have made up my mind that it is bad,—

Hon. Mr. GREISBACH.

Hon. Mr. MOLLOY: Hear, hear.

Hon. Mr. CALDER: —and should not be dealt with.

Hon. Mr. MOLLOY: You are right.

Hon. Mr. CALDER: I am inclined to think with my honourable friend from Provencher (Hon. Mr. Molloy) that the great body of the Mounted Police are not looking for this legislation.

Hon. Mr. MOLLOY: They are not.

Hon. Mr. CALDER: They are not looking for it at all. The agitation is largely on the part of a few individuals. It is the same in other departments of the public service: a few fellows get their heads together and start to bore in to get something out of the Government.

Hon. Mr. MOLLOY: Hear, hear.

Hon. Mr. CALDER: We should not lend ourselves to this sort of thing. We should have the full facts. I am more convinced than ever that when this thing is dealt with it should be dealt with on a broad principle. If we are to recognize war service for this purpose, then let us deal with all war service and not with a part. I would suggest that the Committee rise and report progress and ask leave to sit again.

Progress was reported.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Sir Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend the Interpretation Act.

An Act to amend The Representation Act, 1933.

An Act to amend the Pension Act.

An Act to amend the Precious Metals Marking Act, 1928.

An Act to amend The Electricity Inspection Act, 1928 (French Version).

An Act respecting the Canadian National Railways and to provide for the refunding of maturing and callable financial obligations.

An Act respecting the appointment of Auditors for National Railways.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An Act to amend The Fisheries Act, 1932.

An Act respecting the Additional Protocol of 1935 to The Canada-France Trade Agreement of 1933.

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

The House of Commons withdrew.

The sitting of the Senate was resumed.

FARMERS' CREDITORS ARRANGEMENT BILL

REPORT OF COMMITTEE

On the Order:

Consideration of the amendments made by the Committee on Banking and Commerce to Bill 10, An Act to amend the Farmers' Creditors Arrangement Act, 1934.—Hon. Mr. Black.

Right Hon. Mr. MEIGHEN: Honourable senators, I think the honourable senator who leads the other side (Hon. Mr. Dandurand) asked that this Order stand, with special reference to the amendment as regards the endorser of a note or an obligation. I am not sure of that, but I am certain that the honourable senator from La Salle (Hon. Mr. Moraud) asked that it stand until Tuesday next. So I move that the Order be discharged and placed on the Order Paper for Tuesday next.

The Order stands.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: I move that when the Senate adjourns to-day it stand adjourned until Tuesday next at 3 o'clock in the afternoon.

Hon. Mr. BELAND: Would it make much difference to the right honourable leader of the House if we resumed at 8 o'clock on Tuesday evening?

Right Hon. Mr. MEIGHEN: If we meet at 8 o'clock it is difficult to have our committees do any work on Tuesday morning; we cannot get a quorum. It would be just as well to meet on Wednesday afternoon as at 8 o'clock on Tuesday evening, so far as actual work of the Senate goes. The Committee on Banking and Commerce is to meet immediately after we conclude now. I do not anticipate it will sit longer than to arrange an adjournment, but for the benefit of those honourable members not here, I would say that at that meeting I purpose to urge that the committee reassemble on Tuesday morning at such hour as it may see fit.

The motion was agreed to.

The Senate adjourned until Tuesday, March 26, at 3 p.m.

025S4—12½

THE SENATE

Tuesday, March 26, 1935.

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

Prayers and routine proceedings.

WEEKLY REST IN INDUSTRIAL UNDERTAKINGS BILL

THIRD READING

Bill 22, an Act to provide for a weekly day of rest in accordance with the Convention concerning the application of the Weekly Rest in Industrial Undertakings adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.—Right Hon. Mr. Meighen.

TARIFF ON FRENCH BOOKS

Before the Orders of the Day:

Hon. RAOUL DANDURAND: Honourable members of the Senate, before the Orders of the Day are called I should like to ask a question which I have heard expressed on all sides. On Saturday last the press of the country announced that novels and similar publications would henceforth be admitted from Great Britain and France free of customs charge. The schedules accompanying the budget speech indicate that novels and such books are admissible free of duty only under the British preference. The query arose as to the extension of it to importations from France. The explanation I have been given is that under the French convention novels or works of similar character, printed in France in the French language, unbound or paper bound or in sheets, are admitted at the same rate as under the British preferential tariff. So it was only necessary to amend the item under the British preference in order to give at the same time a similar preference to importations from France.

I take it for granted that this correctly explains the situation. Therefore I hasten to express my thanks to the right honourable leader of the House (Right Hon. Mr. Meighen) for the promptitude with which, when the facts were brought to his attention last Wednesday, he proceeded to redress what seemed to be an anomaly in the working out of the treaty. At that time he stated that if the facts were such as I had laid before him, he would at once bring the matter

to the attention of the proper department. The honourable the Minister of Finance brought down his budget forty-eight hours later with the desired amendment. I repeat my thanks to the right honourable gentleman and congratulate him on the expedition with which he acted.

Right Hon. ARTHUR MEIGHEN: The honourable member's recital of the changes in the tariff and in the French Treaty is correct. Prior to 1930 paper-bound books were dutiable under the British preferential, the intermediate, and the general tariff at the respective rates of 15, 22½ and 25 per cent, with a fixed rate to France of 15 per cent. That gave France the same tariff rate as Britain—a rate much lower than the rates under the intermediate and the general tariff. After the Ottawa Conference of 1932, bound books were made free under the British preference and subject to a duty of 10 and 10 per cent under the intermediate and the general tariff. The practice appears to be to bind books in England and to use paper covers in France. Consequently importations from England enter free. On importations from France, had the books been bound, the rate would have been 10 per cent, but as they were not bound they came in under the old rate. Of course, it must be recalled that considerable advantages by way of a quid pro quo were secured by the Ottawa Agreements. In the negotiations preceding the French Treaty of 1933 France requested and was granted a concession applicable to these items, reading as follows: "same rate as British preferential tariff." This entitled France to free entry of bound books; unbound books were still subject to a tariff of 15 per cent. That is the state of affairs of which my honourable friend complained. It should be emphasized again that the rate is the same as respects both England and France, but, as I have explained, the publishing practices were different.

Among the tariff changes announced in the budget speech, item 169, which covers unbound or paper bound books, was made free under the British preferential tariff. France, by virtue of the treaty of 1933, being entitled to the same rate, will now be able to export unbound books to Canada free of duty. I am very glad indeed that this result has been brought about, and I earnestly trust the books now to come in free will all be good books and of great advantage to honourable gentlemen.

DISTURBANCE AT PORTSMOUTH PENITENTIARY

Before the Orders of the Day:

Hon. J. LEWIS: Honourable members, before the Orders of the Day are called, I desire to direct attention to the recent disturbance at Portsmouth Penitentiary, and to make a suggestion in regard thereto. This disturbance, I believe, is the third which has occurred in the past three years.

Several attempts have been made within the penitentiary to improve the situation; the warden and other officials have been changed, and the regulations have been altered. The failure to bring about any improvement leads me to infer that the official mind has been found to be incapable of coping with the situation. The Government itself admits this, for in the Speech from the Throne it promises that an inquiry will be made into the well-known Borstal system in Great Britain, for the evident purpose of adopting some of its ideas.

The Government has steadfastly refused to appoint a royal commission, which would be a means of securing outside advice, possibly on the assumption that a public investigation might further inflame the prisoners. I do not attach any importance to such an assumption. However, I should like to make a suggestion which I believe would overcome the objection, namely, that the Department of Justice call into counsel Canadians who are deeply interested in the question. I have in mind General Ross of Kingston, W. F. Nickle, K.C., and his son, also of Kingston, Miss MacPhail, a member of the other House, and Archdeacon Scott. In my opinion they would to a certain extent be able to accomplish the object which I should like, and which no doubt the Government also would like, to see attained, without publicity and without delay.

Hon. Mr. GRIESBACH: Mr. Speaker, I rise to a point of order. The honourable gentleman is making a speech. On the Orders of the Day he may rise and put a question on a matter of urgent public importance, but he has no right to initiate a debate.

Hon. Mr. LEWIS: The honourable gentleman has done me a great service, for I had just concluded my remarks.

Right Hon. Mr. MEIGHEN: I must confess, very promptly, that I had a great deal more sympathy with the appeal made last week on behalf of free entry of French books than I have with this appeal. I may feel too strongly on this subject. The trend of my mind is

wholly out of accord with that of the honourable senator.

I call attention, first, to the fact that these outbreaks have been confined to Kingston Penitentiary, and to the coincident fact that all this fanfare by way of sympathetic acclaim of prisoners, all this appeal to public sentiment to be good to them, all this denunciation of their treatment as affected by all manner of human infirmities—severity, callousness, cruelty and the like—is also well within the neighbourhood of Kingston Penitentiary, or is confined to Ontario. I do not know whether others draw the inference or not, but I do, that there is a very direct relationship between the trouble and the fanfare. The inmates of that penitentiary are in some way infected with the belief that public sympathy is with them; that those who are behind the authorities are but a small minority in this province, and that if these disturbances burst forth often enough, and violently enough, the best classes of society will be intimidated and the prisoners will get the upper hand.

The honourable member says that the Government's undertaking to study and investigate the Borstal system, as given in the Speech from the Throne, is an evidence that it is incapable of dealing with this matter. I do not follow that reasoning. I cannot for the life of me see just what is in the honourable member's mind to cause him to say, because the Government promises to investigate an idea that is new, that it is incapable of anything new in the way of ideas. If that is the way in which the honourable member's mind works, it is different from the way mine works. As a matter of fact, the Borstal system has no relation to this subject. It has to do with the treatment of boys, as I understand it. I may be wrong in that. I have not given very great study or special attention to the system referred to.

It seems to me that we have about reached the stage when lawbreakers in this country have to be taught their place.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: We have not had difficulties in other parts of the country. I know of no reason for thinking that the men in charge of our penitentiaries are less amenable to the higher impulses of humanity than are other people. They are dealing with a very difficult class of men. I know that in certain cases—and I think the statement can be made very generally—the officials are alive to their responsibilities and are exceedingly worried in consequence of a type of propaganda which is too much encouraged in this Dominion at the present time. From their observations at close range they realize just what effect it has on the minds of prisoners; and when these violent outbreaks occur without rhyme, reason, or sense, in the centre of the area where propaganda is greatest, I am surely not unreasonable in suspecting a very close relationship between the two facts.

Hon. Mr. DANDURAND: While I am quite aware that there is nothing before the House, I should like to add a word which I think is germane to the question just treated by the right honourable gentleman. I have noticed lately, and I have had three or four clippings which bear me out, that many of the criminals arrested for burglary have been on ticket of leave. Some years ago, when I was acting Minister of Justice, there being no Solicitor General, I had to perform the duty of reviewing requests for tickets of leave. I found that the work within the Department of Justice was being done seriously and conscientiously. In these times of stress, with outcroppings of burglaries and holdups, I have been wondering whether the Department should not be somewhat hesitant about granting tickets of leave to men who have been found guilty of a certain number of offences. I draw the attention of the right honourable gentleman to this point, because within the last six months a number of ticket of leave men have been arrested within a few weeks of their release. This fact ought to be noted in fairness to the police forces of the country, who have to face these men.

Some Hon. SENATORS: Hear, hear.

GOVERNMENT PRINTING BUREAU

INQUIRY

Hon. Mr. TOBIN inquired of the Government:

1. Has there been any work done in the Printing Bureau on Sundays during the months of February and March, 1935?
2. If so, how many persons were employed on such Sundays?
3. What was the nature of the work they performed, if so employed?
4. What were the names of the persons so employed, if any?
5. If so employed, were they paid for extra time?
6. What was the total amount paid to such persons, if so employed?

Right Hon. Mr. MEIGHEN: I have an answer for the honourable gentleman. The answer to the first question is that no work has been done in the Printing Bureau on Sundays during the months of February and March, 1935. Questions 2 to 6 are answered by No. 1.

PATENT BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill A, an Act to amend and consolidate the Acts relating to Patents of Invention.

Hon. Mr. CALDER: Honourable gentlemen, I understand that two amendments are to be made to this Bill, and, as the mover of the third reading cannot move them, I have been asked to do so. I move therefore:

That the Bill be not now read a third time, but that it be amended as follows:

Page 24. Strike out paragraph (a) of subclause 1 of clause 64, and reletter paragraphs (b) and (c) as (a) and (b), respectively.

Page 31. After line 13 insert "On asking information re a pending application under section 11.....$2."

Hon. Mr. LEMIEUX: Explain.

Right Hon. Mr. MEIGHEN: At the suggestion of Mr. McRae clause 64 was amended at the last minute by the committee, and the memorandum in my hand shows that in the clause as amended paragraph (a) of subclause 1 is superfluous. When the amendment was made that whole paragraph should have come out. The remainder refers to the giving of particulars of registered documents. As the Commissioner already has the documents in his possession, it is idle and unnecessary for him to ask anybody for this information.

The next amendment covers an omission. The $2 fee, with regard to which there is to be an insertion in the schedule of fees on page 31, is the fee for information re a pending application under section 11. Section 11 says the prescribed fee must be paid; but through an omission no fee was prescribed. Two dollars was mentioned by the Minister during the course of the committee's consideration of the Bill as being the proper fee for information asked re a pending application under section 11; therefore the omission is corrected by the insertion of a $2 fee.

Right Hon. Mr. GRAHAM: Both amendments were agreed to by the committee?

Right Hon. Mr. MEIGHEN: Yes.

Right Hon. Mr. GRAHAM: I know the second one was.

Hon. Mr. DANDURAND: Has the Bill as reprinted been closely compared with the numerous amendments, which have made the Bill practically a new one?

Right Hon. Mr. MEIGHEN: Oh, yes. I asked the Assistant Clerk of the Committee, who does that work, to be very careful with it; and I know that he and Mr. O'Connor have gone over it. I must admit that I have not gone over the Bill as reprinted, but I know that both these gentlemen had the amendments before them in detail, and I am confident that they have been very careful.

Hon. Mr. DANDURAND: I desire to draw the attention of the Senate to the fact that for some years we have been without a Law Clerk. As a result, the responsibility for this important Bill, which occupied the serious attention of the Committee on Banking and Commerce for two or perhaps three weeks—

Right Hon. Mr. MEIGHEN: Four.

Hon. Mr. DANDURAND: —rested on the shoulders of my right honourable friend, who was surrounded by representatives of the various interests. They crowded upon him, first, in the committee, to state their views, and then in his room, to press for various amendments and special drafting. The patience displayed by the right honourable gentleman at all times was admirable, and I desire to compliment him upon it.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: Thank you.

The Hon. the SPEAKER: Is it your pleasure, honourable gentlemen, to adopt the amendments?

Some Hon. SENATORS: Carried.

Hon. Mr. LEMIEUX: Is not the first amendment dropped?

Right Hon. Mr. MEIGHEN: The purpose of the first amendment is to cause the dropping of one of the paragraphs of the Bill.

The amendment of Hon. Mr. Calder was agreed to.

The motion of Right Hon. Mr. Meighen for the third reading of the Bill as amended was agreed to, and the Bill was read the third time, and passed.

EMPLOYMENT AND SOCIAL INSURANCE BILL

SECOND READING

The Senate resumed from March 19 the adjourned debate on the motion of Right Hon. Mr. Meighen for the second reading of Bill 8, an Act to establish an Employment and Social Insurance Commission, to provide for a National Employment Service, for Insurance against Unemployment, for aid to Unemployed Persons, and for other forms of Social Insurance and Security, and for purposes related thereto.

Right Hon. ARTHUR MEIGHEN: Honourable senators, the debate on this motion was delayed in order that honourable members, including myself, might be further prepared to discuss, not details of the Bill, but the constitutional principle on which it is based and the plenitude of that principle so far as federal powers are concerned.

On a resolution introduced, debated and passed in this House some six weeks ago, for the ratification of a draft convention of the Labour Organization of the League of Nations, I outlined the reasons why in my view this Parliament had power to pass laws based upon that resolution. In the main, if not wholly, the reasons then adduced have parallel application here. This statement requires a certain degree of reservation, which reservation I shall deal with more fully in a moment. I postpone consideration of it merely because it can be made more plain by a recapitulation of the argument then advanced. It will be remembered that the view I expressed—in which I have reason to believe many honourable senators at all events concurred—was that with respect to hours of labour we could very well found our right to legislate upon the trade and commerce provisions of the British North America Act, when the proposed legislation was of Dominion-wide effect, had to do with equality of rights and standing in respect of interprovincial trade, and was indeed related to our position in international trade. I contended that inasmuch as we were seeking to legislate, not with respect to any particular trade, still less any particular act of trade, but with respect to the whole of Canada and in a way which would affect especially interprovincial and international trade, we were within our trade and commerce powers, and were not exercising them so as to invade the civil rights jurisdiction of the provinces. This argument undoubtedly applies with equal force, no more and no less, to the present Bill. In respect of the contention that we are within our powers by virtue of the trade and commerce provisions of the British North America Act, we are on just as sound and sure a footing in this Bill as we could be in the eight-hour-day Bill, because the present measure will affect trade and commerce in a Dominion-wide way, in relation to our international and interprovincial trade. Only federal legislation can effect the desired purpose, because federal legislation alone can result in equality of restriction as among our nine provinces.

Now I pass to other grounds outlined when we were dealing with the resolution. It was contended then that section 132 of the British North America Act also applied. It is the section which enables and empowers the Dominion Parliament to execute and implement to the full the obligations binding upon Canada, by virtue of treaty or otherwise, as a part of the British Empire. I contended also, lest this argument should be in any way challenged, that we were certainly within our rights under section 91. I pointed out that that section gave us power to legislate in respect of the peace, order and good government of Canada; and that in the Radio case, as in the Aviation case, it was held—indeed it had been held in previous years—that although this residuary authority under the general terms of peace, order and good government could not ordinarily be depended upon where it interfered with specific powers granted the provinces under section 92, and could generally be exercised only in relation to matters not there specifically assigned to the provinces, yet there was this exception to that rule, that where legislation impinged in any way on specific powers granted the provinces, it could still be justified if the subject-matter of the legislation were of such importance, character and moment as to make it a national problem of this country.

Hon. Mr. DANDURAND: Who would be the judge?

Right Hon. Mr. MEIGHEN: The Privy Council, in the end. We have to use our best judgment and submit ourselves to the highest authority in the realm. It was argued in the eight-hour-day discussion—and I impress it again now—that if ever there was a subject which had grown to these dimensions, which occupied that high and all-important position in the public mind and in the sphere of political activity in Canada, it surely was this subject of the eight-hour day.

Is the question of insurance, as affecting labour and employment in our country, of equal stature? In dealing with the distinction I hope that I shall not, because of inadequate preparation due to lack of time, fail to make myself clear. I said in the other instance that we rested upon section 132, which enabled us to carry out any obligation falling upon the Dominion or any province of the Dominion by virtue of a treaty made by the British Empire. I say that broad base is applicable in the present case, but there is this difference. The Treaty of Versailles contemplated legislation by the parties to the treaty along the lines of our eight-hour-day Bill, and it provided that there should be a Labour Organization, of which the countries composing the League should be the members, and which should draft conventions for submission to the governments of all these countries. I pointed out that inasmuch as

Canada is a member of the League as an individual nation, and not as part of the Empire, there would be a question as to whether any obligation entered into by this country as a member of the League was an Empire obligation, and I argued it would be rather an obligation of Canada itself. As honourable members will recall, in dealing with section 132 I said that if it was held we were not bound by an Empire obligation in respect of any of these conventions, we nevertheless had equal responsibility devolving upon us, according to the judgment in the Radio case, in which it was held that it amounted to the very same thing whether an obligation rested on us as a member of the Empire or whether it rested on us because of our own individual nationality.

The present legislation is not based on a convention made by the International Labour Office, as will be the eight-hour-day measure. The only treaty background to this legislation is the Treaty of Versailles itself. That treaty did provide, in article 23, that the members of the League "will endeavour to secure and maintain fair and humane conditions of labour for men, women, and children, both in their own countries and in all countries to which their commercial and industrial relations extend." And in article 427 it is stated: "The well-being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance." In these words consists, so far as I know, the only agreement by way of treaty to which this country is a party. And we are a party to it not because we as an individual nation are a member of the League, but because the British Empire, and Canada as a part thereof, signed the Treaty of Versailles. Therefore whatever obligation arises by virtue of these terms of the Treaty of Versailles binds us of the Dominion because we are part of the British Empire. So under section 132 of the British North America Act we are undoubtedly and indisputably enabled to carry out the obligation, whatever it may be, because it rests on us as part of the Empire. In that sense we are on a solider footing in respect of section 132 here than we were when dealing with the eight-hour-day measure.

There is, however, still a point as to just how far this is a specific obligation. It is true it has not the same specific nature and definition as have the terms of a draft convention which we have signed subject to ratification. Nevertheless, these words in the Treaty of Versailles, and the obligations imposed by them, mean something. We are endeavouring to carry out the more or less general obligation resting upon us by virtue of these words, and inasmuch as we are endeavouring to do so in the way best suited to ourselves, we place our feet upon section 132 of the British North America Act. And I argue here again, as in the former case, that the mere fact that our full duty cannot be done otherwise than through federal action, taken by us as a great national unit functioning through its national Parliament, makes the matter of such stature and importance as to lift it out of other categories, and makes it a Dominion responsibility and power under the peace, order and good government provisions in section 91. This case is different from any of the resolutions in that we have here no specific convention, but although that difference has some importance in the argument with respect to section 132, it cannot shove us off the rock of that section. It has some importance also with respect to the peace, order and good government section, but since there is no way by which a nation can comply with the general obligation to which I have referred than through action by its national Parliament, we certainly come within the terms of the judgment in the Radio case and are within our powers here.

In submitting these views to honourable members let me urge this consideration, by no means of a legal character at all. There are certain things this country has to do if we are to take our part in the general emergence from the distressing conditions of these times in respect of social matters. The things we have to do are of far-reaching, paramount importance; they are vital and essential to our recovery and to our national existence. People have said, times without number, that the depression we are labouring under now is not of the same character and kind as any of those cycles which have disturbed the progress of humanity in the past. This is true. The discoveries of man have brought upon us a condition utterly without precedent, a condition which requires remedies never before even tried. Those discoveries have made it possible for a very few of this world's population to produce more than the whole can use, unless there is a wider distribution of earnings and the people in general are better able to buy. This condition can be dealt with, first, by our moving, in concert with other powers, towards a reduction of hours of labour, and secondly by our taking care of incidental unemployment, which undoubtedly will be our lot in the process. These steps we must take, as must other countries. I humbly submit it should be the purpose of every man upon whom responsibility for legislation lies to find ways of performing these duties, and not endeavour to find

obstacles that prevent us from performing them and meeting our just obligation. If we are going to shield ourselves behind—perhaps that is not a fair way of putting it—if we are going to get behind constitutional difficulties we shall only end up by strangling ourselves and making this country an impediment in the general march of the nations of the world towards a brighter and better day.

Surely the solution of these problems is of consequence enough to be an obligation of Canada's. And surely when the day comes that a decision must be made in a constitutional form it will be held that this country is not to be considered fettered by so-called limitations, applicable possibly to other days and other times, but that we are a nation in fact as well as in form, and are going to take our part as a really mature and competent nation, and not as a nation in process of maturity.

Hon. RAOUL DANDURAND: Honourable senators, my right honourable friend (Right Hon. Mr. Meighen) knows better than any other member of this Chamber that there are some limitations to the competence of Parliament. He has had ample experience in drafting laws and knows that to enact legislation the Federal Parliament must find its power within the four corners of the British North America Act. Great Britain has the advantage of a very elastic system: her constitution is unwritten. Canada's is a written constitution.

My right honourable friend cannot close his eyes and his mind to what, up to this date, have been his own views on these points. He has affirmed, and has acted upon the affirmation, that social legislation came under provincial jurisdiction. The question is now brought to our attention from another angle. A series of judgments of the Privy Council have established our limitations, and yet we are now asking ourselves if this proposed legislation is not within our competence. I put to my right honourable friend a moment ago this question: who will be the judge of the contention advanced by some honourable gentlemen that the subject-matter of this legislation has become a national matter and hence falls within the jurisdiction of the Parliament of Canada? My right honourable friend has answered, the Judicial Committee of the Privy Council. This brings us back to the point that in trying to do our best we are confronted with the knowledge that we are on very delicate ground.

It appertains to this Chamber more than to the House of Commons to test all proposed legislation in order to see that we are not violating the privileges and jurisdiction of the provinces, because the Senate has been held to be the protector of the Constitution and of provincial rights. Our whole organization has been designed to that end. It is our bounden duty to settle the question, and I intend to deal with it even though it may be held that I am attacking the proposed legislation. I am not, and before entering upon the constitutional question I intend to discuss the principle upon which the Bill is based.

The Bill deals with unemployment insurance. Independently of the question of jurisdiction, I have in this Chamber declared more than once that I was absolutely won over to the idea of unemployment insurance. By studying the situation of the labourer I have gradually come to that conclusion. I know arguments have been advanced against this kind of insurance. It is said that this is a young country full of possibilities and with unlimited natural resources and that we should be slow to enter upon this field. I may say—perhaps I am but repeating myself—that I read a report of an inquiry made by two social workers of note in the United States. They spent two years in Pittsburgh and elsewhere and, clad in overalls, they kept in close contact with workmen from morning till night and from night till morning, laboured alongside them, lived with them, convened with them at meals and over their pipes in the evening. They found that the men's conversation bore constantly on the fear of unemployment. The men felt uneasy and unhappy, remembering what had taken place in the last ten years, at the prospect that there might be another period of unemployment. Those workmen, many of them married and with families dependent upon them, were earning only sufficient for maintenance and had no spare cash even to make provision for sickness or death. Their conversation reverted constantly to the nightmare of unemployment, to the possibility that next day there might be a suspension of work and they and their families might be destitute. Gradually I have come to realize that if we are all in search of happiness on this earth working men are entitled to protection against the spectre of unemployment. I feel that, if only in his own interest, the employer who in normal times needs a working staff of one hundred men, and perhaps more during peak periods, should not dismiss fifty or seventy-five of those men just as peremptorily as he might shut down a machine; that he must treat them as human beings. Consequently the duty devolves upon him of assisting those men when they are unemployed. This is one of the reasons why I

have always felt there should be some kind of unemployment insurance, contributed to by the employer, the employee and the State. The millions of our labouring men are entitled to what I should call contentment and peace of mind by being assured they shall not be thrown out on the sidewalk and discarded as if they were a mere piece of worn-out machinery.

I agree with the statement made by the Prime Minister when on the 2nd of January he made his first address on the air, that this social legislation would come better in a time of prosperity, because then labour is normally employed and can subscribe to an unemployment insurance fund, and, as he emphasized, the Treasury is also better able to stand the strain. But though I realize, as does every sane man, that such legislation might better be enacted in normal times, I support the Bill because it embodies the principle of unemployment insurance.

The sole question in my mind is whether this Parliament is competent to enact such legislation. I have stated what I deem to be an important function of this Chamber. I think it is but just that the Senate should go on record as to what may be our constitutional restrictions; in other words, what is the division of jurisdiction between the provinces and the Dominion. I agree with the right honourable gentleman that uniformity in social legislation is very much to be desired. But, that having been said, what is the power of the Federal Parliament to enact this proposed legislation? To-day I have made this affirmation, and my right honourable friend will not deny it, that at one time there was unanimity of opinion in both Houses in favour of provincial jurisdiction in social legislation. So my right honourable friend must not be surprised if I wonder what are the reasons which have brought about a change of opinion on this most important subject.

Now, I desire to test some of the reasons that have been given for a change of view. My right honourable friend did not mince matters when a few weeks ago, on looking at the statements which I cited from the declaration of his own policy of 1920, he stated that he had to admit that he had been wrong. He went even further and said the Supreme Court was wrong. This should perhaps cause everyone to hesitate a little before asserting that he is right. One may have been wrong yesterday and be right to-day, or one may have been right yesterday and be wrong to-day. My right honourable friend says the Privy Council will decide. It is because I see the difficulty facing us that I intend to discuss briefly the arguments advanced in support of the situation as we now have it.

My right honourable friend has spoken of section 132 of the British North America Act, and has rested his case, in part, on the application of that Act. I should like to read clause 132:

> The Parliament and Government of Canada shall have all powers necessary or proper for performing the obligations of Canada or any province thereof, as part of the British Empire towards foreign countries, arising under treaties between the Empire and such foreign countries.

That clause was enacted in 1867. What at that time was a treaty between the Empire and a foreign country? Allusion is made to that, and that alone. At that time the British Empire could be held to be comprised of the possessions over which the British flag flew. Treaties were then made by the King. They were not submitted to the British Parliament, much less to the legislatures of the other parts of the British Empire. I recall, however, and my right honourable friend also will recall, that in the case of the Treaty of Versailles the British ministers of the Crown stated in a politic way that the treaty was of such importance that there should be deviation from the general rule and Parliament should be asked to sanction it. Prior to that time a treaty made by His Majesty the King bound Great Britain and the rest of the British Empire. The British Empire was represented by the supreme authority of the King, and by his Parliament whenever that Parliament acted. There was then a much larger British Empire than there is to-day. It included, as I have said, all British possessions, even those which had legislatures, and the King, in signing treaties, bound every Britisher throughout the world. That is why this clause 132 of the British North America Act was passed.

The Treaty of Versailles is not a treaty of the British Empire. If you turn to the first page of that treaty you will see that the British Empire appears there and is represented by British ministers in London. They were quite right in appearing and signing as representatives of the British Empire, but they did so as representatives of the Empire as constituted at that time, which included Great Britain and all the British possessions not represented at Versailles or Paris. The British Empire still has dependencies. But Canada did not appear in Versailles as a dependency. It appeared as an autonomous nation, and signed the treaty as such. The ministers in London did not sign it for the British Empire as including Canada, Australia,

New Zealand, Ireland or South Africa. No, they signed, and advised the King to sign, for the British Empire as then constituted. Canada appeared by its own ministers, and signed the treaty for itself.

No less an authority than Sir Robert Borden, in his Canadian Constitutional Studies, explains the gradual development of Canada as an autonomous nation. He says:

A further development relates to the signature and ratification of the various treaties concluded at the Conference. In view of the new position secured, and of the part played by the Dominion representatives at the peace table, it was considered that the treaty should be signed by Dominion plenipotentiaries, and should be submitted for approval to the Dominion Parliaments. Accordingly the Prime Minister of Canada proposed that the assent of the King as High Contracting Party to the various treaties should, in respect of the Dominions, be expressed by the signature of Dominion plenipotentiaries, and that the preamble and other formal parts of the treaties should be drafted accordingly. This proposal, having been adopted in the form of a memorandum by all the Dominion Prime Ministers, at a meeting summoned by the Prime Minister of Canada, was put forward and accepted. It involved the issuance by the King as High Contracting Party, of "Full Powers" to the Dominion delegates; and in order that those issued to the Canadian plenipotentiaries might be based upon formal action of the Canadian Government, an Order in Council conferring authority for that purpose was passed on April 10, 1919. The new status of the Dominion is manifested again in the constitution of the League of Nations.

I am citing from pages 118, 119 and 120.

In its final form, as amended and incorporated in the Treaty of Peace with Germany, the Covenant fully recognizes the status of the Dominions. As signatories of the Treaty they became members of the League, and their position as to membership and representation in the Assembly is in all respects the same as that of other signatory members.

So, with all due modesty, while recognizing the right of my right honourable friend to take a contrary view, I say there was no signature of the treaty by the King as representing the British Empire including the Dominions.

The British Empire is represented at the League of Nations by the London ministers, and when the roll is called its representative walks up to the rostrum and deposits the Empire's votes in the urn. The Dominions also are called. Sometimes surprise is expressed that the British Empire does not include the Dominions. But as an autonomous and free country we are on an equality with the British Empire, and in regard to expressing an opinion our ministers are on an absolute equality with the ministers from London.

Hon. Mr. GRIESBACH: Does the honourable gentleman argue that section 132 of the British North America Act no longer has any effect or application as a result of these developments?

Hon. Mr. DANDURAND: Yes, because the British Empire as constituted in 1867 cannot speak for us to-day, and cannot bind us. The British Empire to-day is composed of Great Britain, Northern Ireland and the other British possessions that are not under autonomous rule and have not gained absolute equality under the resolution of 1926 and the Statute of Westminster.

Hon. Mr. GRIESBACH: So the change that came about at the time of the Versailles Treaty was not based on any legislative enactment of this Parliament or the Parliament of Great Britain, but simply emerged out of the powers expressed or implied in the constitution, such as it was at that time. There was no legislative enactment. The power of the British Empire to cease to exist, and of Canada to emerge, had been there, but had been unexercised. Is that the argument?

Hon. Mr. DANDURAND: It is, I find, the argument of those who speak of this constitutional evolution. Canada went to Versailles by authority of an Order in Council of its own Government, and under a delegation of power from His Majesty the King. His Majesty the King signed the Treaty of Versailles, but only after this Parliament had decided to adopt that treaty. Canada, and all the other Dominions that agreed, were bound; and we were bound of our own volition through the action of this Parliament.

The second argument that is raised in favour of a change of view in regard to the field of social legislation is this. My right honourable friend has just alluded to it. If Canada signed the treaty of her own volition and through her own power, she is bound directly by her signature. I repeat what I said a few weeks ago, that Canada signed and bound herself, but subject to her constitutional powers, which were recognized in the Treaty of Versailles. One cannot take one clause of the treaty and say, "See what it says," without being met with the answer, "Look at the next clause and see what it says." When one does that, one finds that the duty of the federal state is simply to transfer the obligation to the proper authority. And who were responsible for this clause being put into the treaty? The United States of America. The United States were represented, and when it came to assuming obligations they said, "But we have our limit-

ations—we have our states," and they insisted upon the insertion of this clause. This caused no small worry to the draftsmen, for they had to devise a clause which would not except the United States from the obligation of bettering the condition of labour by accepting the principles contained in what I call "the Magna Charta of labour." The draftsmen found a formula, which at all points meets the constitution of Canada. When we signed as an autonomous nation we signed as what we were, and we did not hide the fact. The United States insisted upon a statement as to the difference between a federal state and an autonomous state. There was no pretence at that time of altering our constitution. Nobody thought of it.

My right honourable friend was the first to implement the obligation by Order in Council. He declared that when he received the convention and transferred it to the provinces his obligation was ended.

The third argument that has been advanced is a most extraordinary one. We are told that the provinces can raise money by direct taxes, but that they cannot pass this legislation, because it imposes a tax on the Dominion treasury. I have no less an authority for that statement than the Right Hon. the Prime Minister himself. He says that it is not necessary to discuss at length the assertion that the employer is called upon to pay, the employee is called upon to pay, and the Dominion treasury, under its national legislation, is called upon to pay, and that as the provinces cannot impose a tax upon the Dominion treasury we are the only power vested with that authority.

When the matter is presented in that form there is no doubt the provinces cannot levy a tax on the federal treasury. But they can provide themselves with funds from their own treasuries and from their own direct taxation.

Here, word for word, is the Prime Minister's statement to which I have alluded:

> If it is a national measure there is only one power that can divert moneys from the treasury of Canada for the purpose of unemployment insurance.

This is begging the question. Undoubtedly the provinces cannot order the payment of money from the federal treasury, but every province has its own treasury. There are provincial Old Age Pension Acts, and in making payments under these the provinces do not impinge upon the federal authority. Though we should prefer national legislation, the fact that we pass laws here does not make them valid. As my right honourable friend has said, the Privy Council will pass upon the validity of this measure. The Dairy Products Sale Adjustment tax of British Columbia, which has been referred to elsewhere, though not by my right honourable friend, was declared invalid because it was an indirect tax. The provinces have the right to levy direct taxation.

Another argument often heard, and one to which my right honourable friend has given expression in this Chamber, is that the provinces cannot interfere with interprovincial trade. That is the general principle, I admit, but let us test the application. Any provincial unemployment insurance, it is contended, would affect interprovincial trade and consequently be illegal. I say the conclusion is false. What if all the provinces passed identical statutes on this subject? There would then be uniform law throughout the whole country, and the provinces would be within their jurisdiction in passing it. Even if the statutes were different, I contend that such legislation would still be intra vires of the provinces. There are in the different provinces very many and widely diverse conditions which may indirectly affect interprovincial trade. Municipal taxation, for instance, may create considerable diversity in the load that the manufacturer is carrying. Also the geographical situation alters conditions. The provinces by the sea have certain advantages with respect to transportation, while the land-locked provinces suffer disadvantages. Large agglomerations such as are found in some provinces offer to manufacturers desirable fields which they cannot find elsewhere. A sparse population suffers because of its very sparseness. Within the last few days there was proposed in the Legislature of Quebec a resolution protesting against a tax imposed by the city of Ottawa, on the authority of the province of Ontario, on the ground that it was a business levy on non-residents of this province. The argument that the provinces cannot interfere with interprovincial trade is quite a specious one, but it does not alter the constitution. There may be a difference in the unemployment insurance policies of the various provinces. But there is no denying the right of the provinces to deal with matters affecting civil rights, contracts and property.

Another specious argument, one advanced by my right honourable friend, is that the Dominion is bound by certain principles governing labour in the Treaty of Versailles; that labour conditions may affect international trade, and that as the provinces cannot legislate with respect to international trade the Dominion has sole jurisdiction in such legislation as this. I contend that the whole argument is baseless, for the Treaty of Versailles recognizes our limitations as a federal

state. As I have already said, it was the United States which asked for recognition of such limitations.

My right honourable friend claims that our jurisdiction in trade and commerce empowers Parliament to enact this legislation. I have tried, but in vain, to visualize the extent to which the Dominion might go in invading provincial rights on the ground of its jurisdiction in trade and commerce. The expression "trade and commerce" might be made to cover all property and civil rights in justification of any measure similar to this.

The Right Hon. the Prime Minister has often dilated upon the uncertainties of judicial interpretation, and the Secretary of State has done likewise. I think, too, that I could find statements by the right honourable leader of this House to the same effect. Our insurance legislation, which we thought came within our own powers, has so often been upset that I think one should hesitate before emphatically declaring the present measure to be within our jurisdiction. Would it not be elementary prudence to have a reference on this question to the Supreme Court of Canada? Within the last twelve months the Government of my right honourable friend has referred to that tribunal no fewer than three questions, all respecting matters of less importance than this one. Those questions concerned the Companies' Creditors Arrangement Act, section 110 of the Dominion Companies Act, and the powers of the Tariff Board.

I would draw the attention of honourable members to the fact that the staff to be organized under this legislation will number at least 3,800 and the yearly expenditure will total from $6,000,000 to $7,000,000, according to a statement made in another place by the acting leader of the Government, Sir George Perley. That is to be found at page 1623 of the House of Commons Hansard for this year, which I can cite, since it is an official document. With that formidable burden in view, knowing the precarious condition of Dominion finances and the heavy load that our taxpayers are already bearing, should we not pause before launching a venture which may be upset by a judgment? There is plenty of time to make a reference to the Supreme Court and obtain judicial opinion. It is provided in the Bill itself that Part III shall not come into effect until approved by Order in Council, and when that is done the whole programme will have been prepared on paper. It will take many months to complete the preparations; so no time would be lost by the submission of the matter to the tribunal. I hope my right honourable friend will be able to see eye to eye with me when in Committee of the Whole I suggest that this scheme be not put into effect until the opinion of our Supreme Court has been obtained. I am sure that if that course is not followed all classes of labour throughout the country will have cause to complain that under the guise of legislation they were given nothing but a lawsuit.

Hon. LOUIS COTE: Honourable senators, may I be permitted to say a few words about the question under discussion, not in an endeavour to enlighten the House, but to explain as briefly as I can the vote which I shall give in support of the Bill? I too have for the Constitution a great reverence, which is at least not surpassed by, if it is not greater than, that held by other honourable members. I do not see defects in that Constitution to the same extent as others may. The British North America Act is often criticized because it is a written Constitution and consequently, so it is claimed, not elastic. But I submit that if anyone looks at it in the light not only of the printed words, but also of history, he finds that its provisions are a great deal more elastic than he previously was inclined to believe.

Personally I have always looked upon the British North America Act as a charter under which minority rights are protected, without any doubt as to interpretation or in other respects. The sections dealing with minority rights are separate and distinct from other sections; and there they stand, I think, never to fall nor to lose their usefulness by process of interpretation, judicial or other. Then there are sections 91 and 92 of the Act—they are not before me at the moment—which define the fields wherein the Dominion and the provinces respectively may legislate. There is no doubt that when these two sections, and indeed the whole Act, were drafted and passed the intention was to give to the Dominion Government such powers as might be necessary in order to make central government effective. I think this view is very well expressed by Lord Sankey's judgment in the Aviation case. There was also a desire to conserve for the provinces certain legislative rights, which are enumerated in section 92. But over both sections 91 and 92 I see an intention in the legislation, and on the part of those who put it through, to clothe the central Government with sufficient authority to carry on good government in an effective and continuous manner.

Forgetting for the moment the question of section 132 and whether we are obliged to pass this legislation in order to give effect to treaty obligations incurred by us as a part of the British Empire or as a separate nation, and forgetting even the question of trade

and commerce, for we all know that that subject as interpreted by decisions of the Privy Council is very much narrower than we should like it to be, and placing our stand solely on the residuary powers conferred by section 91, as to the peace, order and good government of Canada, do we not find there ample authority to justify the legislation now before us?

Hon. Mr. DANDURAND: It has its limitations.

Hon. Mr. COTE: It has its limitations, but also it has an elasticity which the honourable leader on the other side (Hon. Mr. Dandurand) seems to deny. It was that elasticity which justified the second rule laid down by Lord Sankey in his judgment in the Aviation case. That rule was by him laid down for the purpose of facilitating the division of powers between the Dominion and the provinces under sections 91 and 92, and it states that the general powers, that is, the residuary powers under section 91, enable the central authority to pass legislation in matters which are of national interest. There is no doubt about that, nor is there any doubt that the Bill now before us deals with a matter of national interest. Then he goes further and says that the legislation must not trench on the subjects enumerated in section 92 as belonging exclusively to the provinces, unless the subject-matter has reached national dimensions. Well, I submit to this House that the subject-matter of the measure now under study is of national importance and has reached national dimensions, within the meaning of the words of Lord Sankey.

That rule to which I have referred was one of four laid down by Lord Sankey in the Aviation case, and all were based on precedent. He stated that he extracted them from previous cases before the Privy Council upon the interpretation of the British North America Act. Now the question arises, where did he find the authority for his second rule? Honourable members are conversant with the Privy Council judgment in the case of Russell versus The Queen, which held that the Scott Act was valid. The highest tribunal in the Empire reasoned, as explained in subsequent decisions, that it held the Scott Act valid because it naturally concluded the Parliament of Canada must have observed the existence of an emergency, of a set of circumstances which rendered imperative legislation on a subject normally within the jurisdiction of the provinces. Subsequently in the Privy Council, I think in the Snider case, the decision in Russell versus The Queen was explained and based on the ground that the Canadian Parliament must have thought the nation would become intemperate unless preventive action were taken by the federal authority to abate intemperance within the Dominion. That is an exception to the general rule laid down by the honourable leader on the other side (Hon. Mr. Dandurand), that we must not, by invoking peace, order and good government, trench upon section 92.

There are other exceptions. I remember the Fort Frances case. It arose out of war-time legislation. Under the War Measures Act an Order in Council was passed fixing the price of newsprint. The moment the war was over those interested in the trade claimed that no longer could war-time measures be invoked in support of price-fixing. The Privy Council held the Order in Council to be valid, although its subject-matter is not enumerated in section 91. Price-fixing, it declared, is a matter of civil rights, but it must be assumed that in an emergency the Canadian Government acted on the ground that it was in the interest of the country to fix the price of newsprint so that the press might be assured of its supply, and thus be able to print and distribute war news throughout the Dominion.

I submit that if you can establish as a matter of fact—it is not a matter of law—that any question has become of national interest and dimensions, you can justify under the general powers of section 91 federal legislation of a character which trenches upon the subjects enumerated in section 92.

Now the question is, is this legislation of such a character, such a nature, such dimensions? Is it not a fact that questions of labour, of employment and unemployment, can be brought within that definition? Is it not a fact that in our economic life we have come to a point where the question of unemployment has become so grave that only a proper solution of it can save the country? Is it not a fact that the provinces and the municipal authorities, whose duty we claimed it was to take care of unemployment relief—we all said so five or ten years ago—are now no longer able to cope with the problem? During this week I listened to some of the speeches at a meeting of Canadian mayors in the city of Montreal. All the speakers were unanimous that the municipalities are no longer able to carry the burden, and that the Federal Government should take charge of it. Not only do we hear that chorus from the municipalities; we hear it from the provincial governments as well, and we all know

that for the last five years Ottawa has been the Mecca of all the provincial premiers and their colleagues. They have been rapping at the door of the federal treasury asking for relief loans and assistance, every one of them realizing that the problem has got beyond their ability to deal with it. As a result we have made disbursements out of the federal treasury to the extent of hundreds of millions of dollars. Who to-day would argue that this is a municipal or a provincial problem? Who would dare say that it has not become a matter of national interest and national dimensions, so as to bring it within the legislative power of the central authority?

I could go further and say that it is a matter of international importance. That point has been very ably dealt with by the right honourable leader of the House. Even if we were not bound by the labour convention, the fact remains that all the nations of the world, assembled around a peace table, have unanimously accepted the view that the question of the fair treatment of labour has assumed such importance that failure to deal with it in a proper way would disturb or threaten the peace of individual nations throughout the world. If this measure, after enactment, is tested before the Privy Council, would it be possible to summon better evidence of the international nature of the problem than the unanimous voice of all the nations of the world, expressed in such emphatic and clear terms in the peace treaty? It is, as I say, a question of international importance.

Having these facts in mind, how can we for a moment doubt what the judgment of the Privy Council would be? Can we have any doubt sufficient to induce us to postpone the passing of this Bill in order to obtain a decision by the Supreme Court of Canada, not on the legislation itself, but on the principle of the legislation? Personally, I have not the slightest doubt as to the powers of the Parliament of Canada to pass this legislation. I will be candid and say that if I thought that by voting for this measure I should be violating the constitution of my country, I would do myself the honour of voting against it. But those doubts I do not entertain to the slightest extent, and for this reason I shall vote for the Bill.

Hon. JAMES MURDOCK: Honourable members, I think it might be somewhat unfortunate if on an important question of this kind only members of the legal profession should discuss the Bill pro and con. To-day we are considering just one piece of social legislation, intended presumably for the benefit of the ordinary citizen of Canada. The question naturally arises, what are our obligations in connection therewith? I find that on June 28, 1919, Canada, over the signatures of its representatives, agreed with the other nations of the world, parties to the Treaty of Versailles, to endeavour to secure and maintain fair and humane conditions of labour for men, women and children. That is almost sixteen years ago, and Canada in the meantime has done virtually nothing concrete and definite. The old-time game of "passing the buck" has been played between the Dominion and the provinces, the provinces taking the position that they have full jurisdiction in this matter, but most of them making no move whatever to assert their rights and implement their obligations. By article 427 of the treaty Canada agreed "that the well-being, physical, moral and intellectual, of industrial wage-earners is of supreme international importance." Yet, as Canada, she has, one might say, done less than nothing to discharge the obligations assumed on June 28, 1919.

I am one of the citizens of Canada who have been converted from the belief that what certain distinguished, upright, honourable and learned gentlemen on both sides of politics told me was the truth. As will be found on reference to the Senate Hansard of February 6, 1933, I am one of those who took the position that the Parliament of Canada had no jurisdiction whatever over matters of this kind. Why? Not because of any legal knowledge that I personally had, but because distinguished and honourable and learned gentlemen in both political parties and in all our governments that I knew anything about had repeatedly taken the position that, by reason of the rights conceded and guaranteed to the provinces by the British North America Act, the Dominion had no power to interfere in respect to an eight-hour day, unemployment insurance, minimum wages, and many other things that were never dreamed of when section 92 was written into our Constitution. We were told repeatedly that the Federal Government could not be a party to changing the existing conditions; that we simply had to mark time until the provinces—presumably all—made a move in the direction necessary to secure and maintain fair and humane conditions of labour. Before that was done by the provinces Canada, we were told, could not implement those treaty promises.

As I say, I have been converted. I have become more than ever convinced that either all men are liars, or, more charitably, all men are mistaken. True, there have been

some changes in the legal views recently expressed with regard to the constitutional powers of the Parliament of Canada. But after reading carefully every word of the discussion in another place by high-class gentlemen, both legal and other, and after listening to the present discussion, my personal judgment is that for many years past it has been a case of the selfishness of human nature determining the rights to be conceded to the ordinary, poorer classes of Canadian citizenship. I mean money controls all things, and in my judgment wealthy individuals in years gone by were in a position to make known their views and back them up as far as necessary, to the detriment of the unemployed and unfortunate citizen. In my opinion they are responsible for this general understanding that for many years was promulgated throughout the length and breadth of Canada, to the disadvantage of the ordinary citizen, an understanding which implied that the Dominion had no jurisdiction over many of these things, but they were solely under the control of the provinces.

I have never participated in a revolution and I do not believe I ever shall, nor do I think that Canadians now or in the future will give serious thought to such extreme action. But it does not do us any harm sometimes to look back into history and learn the views of those who have gone before us. One of the best and most informative speeches that I ever heard was in reference to a Britisher who died many years ago. And so I think it would not be amiss to-day to quote the views of a distinguished member of this House delivered on February 6, 1933. He was discussing not an eight-hour day, but a proposal to adopt a six-hour day. Having regard to the necessities of our times and what should be our obligations, he was more up-to-date than many of us are right at this minute. I refer to the late distinguished senator from Acadie, the Hon. Pascal Poirier. Dealing with the Imperial Conference that had been held a little while before, he said:

> As a result of these conferences our economic situation will very likely be improved. Improved, but not healed. The dreaded cancer will remain. Something must be found which will extirpate it, and this with no long delay, for the cancer grows alarmingly.
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> The murmur that reaches Parliament from the streets is now subdued, for things have not come to a crisis, and the dole appeases the hunger of the multitude. But when the public treasury is exhausted and the dole is no longer forthcoming that murmur will change into a malediction. Hearken to the suppressed rumble! It comes from gatherings of unemployed from Victoria to Sydney, from prisons like Portsmouth, St. Vincent de Paul, Dorchester—from everywhere. And what will happen, what can happen, if the rabble, so-called, run amuck and break all restraints?
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> Remember what happened in France during the Revolution of 1793. Look at what happened in Portugal not so long ago. Look at what is happening to-day in Russia, in Spain, in Mexico. The Czar of all the Russias, the grandees of Spain and Portugal, the clergy of Mexico, once all-powerful, were scattered like dry leaves in a hurricane when the people rose in anger.
>
> All that may be true, but are we, the governing class in democratic Canada, not in a position to quell insurrections? No, my friends, we are not, if lines are drawn and sides taken. Since the granting of manhood and womanhood suffrage, the majority governs, as it did before, but the axis of the majority has shifted. There is even no necessity of a revolution in Canada to put the administration down and out. It can be done constitutionally, at the polls. Let all the malcontents unite, it is possible that later on they may secure a majority at the polls. What will happen then? They will climb up and we shall climb down, we senators as well as others. If, to use a vulgar expression, we kick, they will look upon us as disturbers of public peace, as insurgents, as undesirables; and, if they deem it necessary for the preservation of order and good government, they may confiscate our properties and show us the road to exile. Such things have hapened elsewhere and are actually happening.
>
> Nothing like this is likely to occur in Canada, because our labouring classes have so far had no grievous charge to lay against their employers; they were never oppressed nor wronged by them, and they, as much as we, favour the continuation of the present political regime. But let discontent grow, let the number of unemployed increase to dangerous proportions, let a crisis come, and no one can tell what may happen.

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

Hon. Mr. MURDOCK: Certainly.

Hon. Mr. LACASSE: Would the honourable gentleman tell us what was the fate of that resolution?

Hon. Mr. MURDOCK: That is a very apt question. Your humble servant took the position that the six-hour day was something to be greatly desired, but, having listened to what was said by honourable members on both sides of the House, he accepted the view expressed by them. Now I do not believe a single word of it. I think that in the years gone by there has been nothing but bluff and fourflushing on the part of certain people in Canada who desired to keep the workers from getting their just dues. That is the answer to the question.

Now let me proceed a little further and refer to some of this social legislation. On the 20th of February my very highly respected friend the honourable senator from Rougemont (Hon. Mr. Lemieux) spoke on one of these social questions. I value his

judgment and experience greatly, but listen to what he says.

I wonder whether my right honourable friend realizes that when those social reforms have been in operation a very short time we shall have about 25 per cent of the population maintaining the other 75 per cent.

Well, if 25 per cent of the population have cornered all the wealth of Canada, may I ask kind Providence who should take care of the other 75 per cent? Holy Writ, as I recall it, says, "The earth is the Lord's, and the fulness therof." I have been brought up to believe that every human being has a right to live and, within reason, to secure the wherewithal to preserve life. If we have come, or are coming, to such an unfortunate pass that 25 per cent of the people of Canada have to take care of the other 75 per cent, who is to blame? Is it not possibly the fault of that capitalistic system which we heard assailed by a distinguished gentleman not long since, a system which has enabled some to benefit, perhaps too much, at the expense of their fellows?

The other day we heard about the further inroads that were to be made upon those who are able to pay. To my mind we have not gone nearly far enough in that direction. It is now proposed that a person who receives a million should "cough up" $100,000. Presumably he would be left $900,000 to live on.

Hon. Mr. CASGRAIN: Every twelve months.

Hon. Mr. MURDOCK: Every twelve months. At the same time thousands of aged citizens of this Canada of ours, under our old age pensions are required to live on—what?

Hon. Mr. HARDY: May I interrupt the honourable gentleman? The $100,000 which the honourable gentleman speaks of is in addition to $500,000 which already has been paid.

Hon. Mr. MURDOCK: I have no doubt about that.

Hon. Mr. HARDY: That is of some importance.

Right Hon. Mr. MEIGHEN: How would anyone have $900,000 left from a million after paying out $600,000?

Hon. Mr. MURDOCK: If you will look at the schedule that has been laid before us, I think you will find that the figures I am quoting are correct.

Right Hon. Mr. MEIGHEN: Oh, no.

Hon. Mr. MURDOCK: That there is an assessment of 10 per cent on earnings of from $500,000 to $1,000,000.

Hon. Mr. CASGRAIN: $600,000.

Right Hon. Mr. MEIGHEN: That is an extra assessment.

Hon. Mr. MURDOCK: All right, an extra assessment, after the ordinary assessment. The question I ask is: Why not? I was talking this morning to a very distinguished and capable gentleman who, I think, understands finance. He intimated that if a proper percentage were taken from those who are able to pay, the debt of the Dominion of Canada would be wiped out entirely. I do not know whether that is so or not.

Right Hon. Mr. MEIGHEN: It is not.

Hon. Mr. MURDOCK: But the point I want to make is that it is almost time that members on both sides of this Senate unite to do something that Canada obligated herself to do sixteen years ago, and discontinue "passing the buck" to others, in many cases hoping that nothing will be done.

In the remarks I read from the speech of our late lamented friend Senator Poirier there are some statements to which I do not subscribe. I read those remarks because I wanted to indicate what one member on the other side of the House deemed it necessary to say on this question of social insurance more than two years ago.

Hon. Mr. LACASSE: Will my honourable friend allow me to insist upon an answer to my question? I asked whether he would willingly tell us what was the fate of that resolution.

Hon. Mr. MURDOCK: The resolution died.

Hon. Mr. LACASSE: Absolutely.

Hon. Mr. MURDOCK: Yes.

Hon. Mr. LACASSE: It was not worth while considering in those days.

Hon. Mr. MURDOCK: It was impossible, logically, to consider it. In the first place, Canada was obligated at that time, as she is to-day, to give effect to an eight-hour day. If Canada had undertaken to adopt a six-hour day she would have been ahead of all the other members of the League of Nations. Such action would have been simply silly then; and it would be silly now, even though a six-hour day would be more consistent and logical at the present time than an eight-hour day. But even if we put into effect a six-hour day, it would not take up all the slack, or provide work for all who are looking for employment. We shall be doing a pretty good job of work if we stick to our knitting and undertake to put into effect the eight-hour day, which our representatives agreed to sixteen years ago.

The six-hour day will come. I say, let it come soon.

It seems to me, honourable members, that a repetition of all these constitutional arguments should not be necessary. In my judgment they are only "bunk." I think it has been proven in this House, and in another place, that the arguments we have heard are only a pretext on the part of some to avoid going somewhere and doing something.

Then may I say this? Even though it were absolutely correct that the Parliament of this Dominion had no authority in the matter—which I do not believe—in my opinion it would be advantageous to Canada and the people of Canada to have effect given to the principles enunciated in the legislation before us and in the resolutions that are to come to us. I think Canada should have done that many years ago. The truth and the facts should have been brought out before now. I think the everyday citizens of Canada are entitled to more consideration than they have received, and I hope that we may in some way be able to put an end to this long drawn out argument between distinguished legal gentlemen on either side of the House. No doubt the question will be decided somewhere else later on. Meantime why can we not give effect to these social measures as they come to us, and show our goodwill, our desire to help, and our adherence to the principles agreed to on behalf of Canada in June, 1919?

Hon. J. P. B. CASGRAIN: Honourable senators, I do not want to take part in this discussion. I have here an extract from the Montreal Gazette, dated March 19, in which the Hon. L. A. Taschereau gives expression to his views with his usual clarity and moderation. Before going into that, however, may I refer to the remarks of the honourable senator from Parkdale (Hon. Mr. Murdock)? As I understand it, all this quarrel is as to whether or not the measure before us is constitutional. It is not for a land surveyor to answer; we have courts for the purpose of deciding that question. The honourable gentleman spoke at great length about the eight-hour day and the League of Nations, and referred to what happened sixteen years ago. Yet, since that time he has been sitting in this House and in another place and has never done anything about it. I think he has been remiss in his duty. I think he should have brought that up before. It is a crying shame that it has been delayed so long.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. CASGRAIN: Sixteen long years! Why, according to insurance tables, sixteen years is a generation. Stay away from your own village sixteen years and nobody will know you when you return; you will be like Rip Van Winkle. I am not surprised that some sections of labour have found fault with the honourable gentleman. He should have attended to this business before.

I do not intend to go into the legal features of this matter, but I want to ask one question. The right honourable gentleman (Right Hon. Mr. Meighen) says that Canada is bound because certain gentlemen representing Canada at meetings of the International Labour Organization have made a certain agreement. Now, suppose they had agreed to do something that was clearly beyond the powers of Canada to put into effect, would it be claimed that Canada and every province would be bound by their action? Surely not. As to this eight-hour-day question and other labour matters, if you look at the treaty you will find that the Labour Organization was provided for only after everything else had been attended to, and it was done then only to propitiate the French Socialists. I do not want to digress too much, but this is important. After all, I have spoken so much on Socialism that I must have learned something about it. Whenever we voted some $200,000 or $300,000 towards the League of Nations, 40 per cent of it went to the International Labour Office, which was under the control of a very clever man, Albert Thomas. He must have been clever to hold a job such as he had. He never would allow Sir Eric Drummond to look into his books, and he always had a deficit. I fear that I am getting too far afield; so I will come back to my muttons.

The honourable senator from Ottawa (Hon. Mr. Coté) is very sure of his position. Then why does he not favour a reference to the Supreme Court? Until a definite decision is handed down there will be a lot of expense. We are told that some four thousand employees will be engaged. Well, of course that will relieve unemployment to some extent. Then, lo and behold, the Supreme Court will come along and say the law is no good; so these people will lose their jobs and be thrown out on the street. That will be a very unfortunate result.

As I have said, Mr. Taschereau mentions the very distinguished leader of this House. This dispatch appeared in the Montreal Gazette, that good Conservative paper which lately has been showing a little bit of independence. It is dated from Quebec, March 19.

Hon. Mr. HUGHES: What year?

Hon. Mr. CASGRAIN: This year. I think the Gazette is one of the very best papers in Canada. If there is a better one, tell me the name of it and I will read it. The dispatch says:

Mr. Taschereau, after briefly mentioning the Bill, referred to the fact that last year the Rt. Hon. Arthur Meighen had introduced a Bill in the Senate, which Quebec could not accept in view of its defined rights under the Privy Council judgments.

That word is in the plural; so there was more than one judgment.

He said he had no objection to another interprovincial conference in the matter.

The question was whether Quebec laws, based on French custom and legislation—

—la coutume de Paris—for laws, after all, are customs reduced to writing—

—were to be taken away bit by bit, and finally disappear. As matters were, Ottawa had proceeded to take control in insurance matters, and the Privy Council had on two occasions made it clear that the provinces rule in civil matters, that is, as regards contracts.

I ask honourable members of this House if there is any better contract than an insurance policy, whether it is for life or for a determined time. You have a contract with an insurance company. Is that not a matter under provincial jurisdiction? Has that not to do with civil rights?

Hon. Mr. BALLANTYNE: Mr. Hepburn does not seem to think so.

Hon. Mr. CASGRAIN: Mr. Hepburn can take care of himself.

Right Hon. Mr. GRAHAM: And of a number of other people.

Hon. Mr. CASGRAIN: The dispatch goes on:

It was much the same case as regards company law. Ottawa every day sought to get control in this matter.

"Now, there is the matter of hours of labour, an eight-hour day, and labour conditions," the Premier went on. "These things are matters of civil right—

That is what he says, but there are people, who have never studied law, who say he is not right.

—since they involve contracts between employers and employees, and they should be entirely governed by provincial laws, and yet we find that Ottawa has invoked the Versailles Treaty in the matter, and there is now legislation passed to say how many hours a person shall work, and what his minimum shall be. Yet, in this province we have minimum wages arranged under legislation of last year, and we have a minimum wage commission as regards wages of female employees. What will happen later on if Ottawa and the provinces have contradictory legislation in the same matter? If one authority says eight hours and another authority says seven hours, which will be correct?"

The Premier said that there was to have been an interprovincial conference in the matter of hours of work, of minimum wages, and some other matters, and then the conference was abandoned. Was Quebec to abandon its constitutional rights as regards hours of labour and rates of wages? The interprovincial conference had been cancelled, and now the Federal Parliament had gone ahead and legislated in the matters which were to have been discussed at the proposed conference.

Premier Taschereau said he had no objection to throwing out the idea that another conference on insurance matters should be called.

I thought that the opinion of the Prime Minister of Quebec might be of interest to this House. He certainly is a man of long experience in legislative matters. If a reference to the Supreme Court has to be made on this legislation, why not go ahead with it as soon as possible? It does not cost the Government much to get the opinion of that court. But imagine the damage that will be done if this Bill is passed and after large numbers of people are insured it is found out that we had no power to pass the measure at all! There would be no end of trouble. So I say we should make sure, we should look where we are going to land, before we jump.

Hon. Mr. MURDOCK: In other words, look for another sixteen years.

Right Hon. Mr. MEIGHEN: Honourable senators, the debate up to the present moment has been instructive, and perhaps somewhat diverting. Some contributions to it have made anything in the way of a lengthy reply on my part unnecessary. I want to compliment particularly the honourable senator from Ottawa East (Hon. Mr. Coté). I think that during his whole presentation he did not depart by a hairbreadth from the direct line of matters relevant to the issue.

Honourable members opposite say: "Do not take any chances in building up an organization. We dispute the constitutionality of this legislation, and Mr. Taschereau disputes it. So the thing to do is to refer it to the courts and wait till they have rendered a decision." I am not leading a political party, but if I were I should not want my opponent to be in any more vulnerable situation than one is when taking that ground. We could not get a judgment of the Privy Council, which would be the only decision worth while, for some months, probably a year, and more likely two years. This seemingly innocent suggestion to ditch the legislation until we get a finding by the Privy Council, to arrest all progress and do nothing until then, in effect

means to abandon it for a serious length of time, during which there would be immense loss in this country and we should be chargeable with dereliction in the discharge of our obligation. The usual course of a Government which is confident of its constitutional position is to go ahead, and to take the consequences later if its position is attacked. We do not run away because someone has a different view; we adhere to our ground and take full responsibility for our course. That is our position now.

I do not find that I have any important differences with the honourable senator from Parkdale (Hon. Mr. Murdock) as to what our duty is, nor as to some of his views which in earlier times I might have thought rather extreme. I believe it would be fair to say there is greater need of a six-hour day at this time than there was of an eight-hour day when the Treaty of Versailles was signed. Economic pressure has brought us to the stage where available labour would not be absorbed even if the working day were reduced to six hours.

Hon. Mr. CASGRAIN: When would the cows be milked?

Right Hon. Mr. MEIGHEN: There would still be idle men even if we had such a short working day. However, the question before us has to do, not with this point, but with our constitutional powers. I differ with the honourable senator from Parkdale in that I would not support nor vote for this measure unless I were convinced we were within our powers in passing it. I think no member of either House is justified in voting for a measure unless he feels Parliament will be within its rights in enacting it. I do believe that Parliament has the power to pass the present measure, and I support it.

But my main difference with the honourable gentleman is on another ground. Because other people hold views at variance with mine, or advocate with respect to social problems a certain course which to me seems unwise, I cannot feel that they are necessarily actuated by some greedy, sinister design, nor that they are allied with hostile interests and are not just as good citizens as I am. If I were to define what in my judgment is the greatest need of the hour, not only in this country, but throughout the world, it would be that we restore for a period of time something of trust in one another.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: We are continually investigating the other fellow's success. His methods and practices have been continually probed for the purpose of finding something wrong, until the whole fabric of society has been weakened and progress paralysed in this as well as other nations. The United States are in semi-chaos because, while endeavouring by one plunge into the unknown to renovate business and industry, they are rendering it impossible for the forces of business and industry to make any progress at all—

Hon. Mr. CASGRAIN: Hear, hear.

Right Hon. Mr. MEIGHEN: —by continually thwarting them in every direction they move, and by scattering abroad the thought that everybody who succeeds is an enemy of the State and must have achieved his success by dishonest means.

Hon. Mr. CASGRAIN: Anybody who pays wages is an enemy.

Right Hon. Mr. MEIGHEN: It is true I had a different view of this matter fourteen or fifteen years ago from what I have to-day. I was just as honest in my opinion then as I am now. I had not been as thorough in my study; it had been impossible for me to be so. In a Government one naturally subordinates one's view on matters affecting an individual department, and especially the Department of Justice, to that of the law officers of the Crown. Their judgment as to the duty of Canada by virtue of the convention of the Labour Office was that, being a federal state, we should submit the convention to the provinces. I do not know that it was my duty as a lawyer to seek to delve into the inner principles to see if I could not find some way by which the duty and power of this country could be established as a federal duty and power. Perhaps it was an obligation on my part. If it was, I did not discharge it. I came to the conclusion I did then just as honestly as I do now. I accepted the conclusion of the Justice Department. On its face it seemed a reasonable and just deduction from the premises. Nor do I think that the honourable senator opposite (Hon. Mr. Dandurand) or Mr. Taschereau is any less honest in his opinion than I am. But as respects Mr. Taschereau, I do humbly submit that perhaps he has not given his best attention to this subject; that perhaps he has not studied it as a lawyer upon whom there is a great responsibility should study it. I doubt whether he has the time to do so. I venture to suggest that if he does, he will come to a conclusion not very far from that upon which we stand now.

Who can imagine the Privy Council, which decided that the questions involved in the Liquor and the Newsprint cases were of such Canadian importance and Canadian dimensions as to bring them within the residuary clause of section 91 and enable the Dominion to legislate on them, even though they were, as matters of civil rights, named specifically in section 92—who, I ask, can imagine the Privy Council, which decided that those subjects were of such magnitude, would ever for a moment consider that the subjects with which we are dealing in this Bill are of lesser consequence and lesser dimensions? It is impossible to conceive it. I think a very good argument could be made out for the view that in those two cases the Privy Council was very close to, if indeed not beyond, the line, in coming to the conclusion that merely because the questions at issue had become of considerable importance they could be made part of the residuary powers of the Dominion under section 91. But here is something recognized in a solemn treaty as not only of national but of international and far-reaching consequence, something which Canada deemed it her duty to commit herself to directly perform. Who can conceive of the Privy Council saying, "Why, no, that does not make it of such Canadian sweep and Canadian dimensions that it becomes part of your residuary powers"? Does anyone imagine that, having held that in matters of radio, though we had not as part of the British Empire made any treaty at all, and therefore could not come under section 132, nevertheless we had power by virtue of the residuary clause of section 91, the Privy Council will now hold that we are not in the same position with respect to the eight-hour day and unemployment insurance? It is impossible to conceive, and particularly when one contemplates what would be the result. Should such be the decision of the Privy Council, then the next step Canada must take, if it is any longer to rest in the consciousness that it is a nation, is to see to the amendment of the British North America Act. It will be an admission that this Constitution which we have revered for many years makes it impossible for the Dominion to assert itself as a nation at all; that it is going to be for ever shackled and subject to the individual whims of the nine provinces. The prospect is inconceivable; the consequences are too terrible; and therefore it seems to me that anyone could argue this matter with supreme confidence before the highest tribunal of the land.

I did not perhaps quite get the significance of the argument of the honourable senator opposite (Hon. Mr. Dandurand) with relation to the Treaty of Versailles. If I caught it correctly he said, addressing himself to me: "You rest yourself on section 132, which gives to the Dominion of Canada, as such, powers to implement and fulfil any treaty obligations resting upon the Empire, and upon Canada as part of the Empire."

Hon. Mr. DANDURAND: A treaty made by the British Empire.

Right Hon. Mr. MEIGHEN: A treaty made by the British Empire. "But," he said, "you cannot utilize that in the present case, because the Treaty of Versailles was not made by the British Empire; it was made by Canada separately, just in the same sense in which Canada executed the Radio agreement."

Now, suppose the honourable senator is right, does it advance his case one iota? I do not think he is right at all; I think he is demonstrably wrong. But assuming he is right, that Canada signed the Treaty of Versailles as a separate, self-governing nation, just as she signed the Radio Treaty, then we come within the Radio decision.

Hon. Mr. DANDURAND: But we signed it as a federal state.

Right Hon. Mr. MEIGHEN: We signed the Radio Treaty as a federal state. Certainly we did, and the Privy Council held that because we had signed it, we had power to execute it, as that would be embraced in the residuary powers. So my honourable friend is not a particle ahead, even if he is right as to the Treaty of Versailles. He only brings himself definitely within the Radio case instead of the Aviation case.

Hon. Mr. DANDURAND: But the Radio case in nine-tenths of its application was outside section 92 and would fall naturally under the residuary powers.

Right Hon. Mr. MEIGHEN: Oh, no. The courts held in the Radio case, as was clearly defined by the senator from Ottawa East (Hon. Mr. Coté), that radio was of such consequence that it rose to the stature of a Dominion matter. Therefore, although it did conflict with section 92, it was a Dominion power. The Privy Council said that, Canada having executed the treaty, that of itself conferred Dominion stature, and consequently the subject was the same as if it came within an Empire treaty under section 132.

But my honourable friend is completely wrong in saying that Canada signed the Treaty of Versailles in the capacity of a separate nation. Canada did nothing of the kind. Has the honourable gentleman the Treaty of Versailles before him?

Hon. Mr. DANDURAND: I had it.

Right Hon. Mr. MEIGHEN: I am sorry he has not a copy before him now. I have a copy of the treaty. It starts in this way: "The United States of America, The British Empire, France, Italy and Japan," these powers being described as the Principal Allied and Associated powers; then Belgium, Bolivia Brazil, and a large number of other Powers down to Uruguay, all these other Powers "constituting with the Principal Powers mentioned above the Allied and Associated Powers." No Canada, no Australia, no India.

Hon. Mr. CASGRAIN: That is right.

Right Hon. Mr. MEIGHEN: Then Germany. The treaty goes on to say that these powers, bearing in mind the armistice, and much else, decided that the armistice should be replaced by a firm, just and enduring peace. For this purpose the high contracting parties were represented as stated. The President of the United States was represented by five statesmen or officers. His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British dominions beyond the seas, Emperor of India, was represented by five of the ministers of the Crown of Great Britain; then, for the Dominion of Canada, by the Hon. Charles Joseph Doherty and the Hon. Arthur Lewis Sifton. His Majesty the King, who is the executive head of the British Empire, signed here by five British statesmen, for Canada by two Canadian statesmen, and for Australia by two others. It is His Majesty the King as executive head of the British Empire who signs. Canada, Australia, and other Dominions insisted that if he signed as executive head of the British Empire, inclusive of Canada, his signature should be attested by two representatives of the Dominion. They contended that members of the British Government alone could no longer do the signing. But the signature in its form and meaning is for the British Empire, because the British Empire appears as a party to the treaty. Canada does not appear. Australia does not appear. No other part of the Empire appears. There is nothing in the treaty in the way of mutual obligation between Britain on the one hand and Canada or Australia on the other. It is wholly different from the League of Nations.

When we come to the League of Nations we find that Canada is named specifically as a party to the covenants, as are Australia, New Zealand, and India. Furthermore, each of them signed separately. The covenants of the League are covenants as between Britain and Canada, Canada and Australia, Canada and New Zealand, Australia and Britain, and so forth. They are mutual covenants, binding on each. It is very plain why that should be so. It is just as important to us that Great Britain should step into line with us in the matter of hours of labour as that Germany should do so.

But it is only in the League of Nations that Canada signs as a self-governing power. In the Treaty of Versailles she does not do so. She is not named as a party to the treaty. The King is named as head of the Empire and his signature is attested by five representatives of Great Britain and two from this country.

While I have thought well to put forward this view, I want to say very frankly that if the honourable senator opposite were right and I were wrong, it would not be of the least advantage to him. True, if we come under section 132 of the British North America Act, we are carrying out an obligation made by the Empire; but if we do not, we come within the obligation incurred by Canada, and are directly within the four corners of the Radio decision. Hence, both those footings of my honourable friend fall away.

Hon. Mr. DANDURAND: As a federal state any social matters—

Right Hon. Mr. MEIGHEN: It does not say "social matters" at all, and it does not say "in federal matters." My honourable friend's mind is on the section which refers to the case of a federal state whose treaty-making powers are limited. What are our powers to make a treaty? There is no limitation in the world governing us. How did we make our Radio Treaty if we had not the power to make a treaty?

Hon. Mr. DANDURAND: We assumed that in that field, which was unknown in 1867, we had authority.

Right Hon. Mr. MEIGHEN: We can assume in any field. Will the honourable gentleman tell me by what statute, Imperial or Dominion, our powers to make a treaty are limited?

Hon. Mr. DANDURAND: Well, they are limited in so far as our capacity to carry them out is concerned, if they have to do with matters falling under section 92.

Right Hon. Mr. MEIGHEN: I am not asking about that. Once we have decided upon the power to make a treaty, we shall argue about the power to carry it out. I am asking the honourable gentleman to tell me under what statute, Imperial or Dominion, our powers to make a treaty on any subject are limited.

Hon. Mr. DANDURAND: It is a moot question. But as between the right to do so and the actual power to do so there is a mighty difference.

Right Hon. Mr. MEIGHEN: No. If we have the right to make a treaty we have the power to do so. And we have the right, unless we are limited. There are subjects with respect to which we may not have power to legislate unless there is a treaty base for our action. But once that treaty base exists, with respect to a proper subject, we have the power to go ahead and legislate.

Hon. Mr. DANDURAND: According to that statement, could we not make treaties on any subjects, without limitations, and absorb the entire jurisdiction of the provinces?

Right Hon. Mr. MEIGHEN: I answered that six weeks ago, and I will answer it again. If we go out and make treaties merely in the endeavour to acquire powers for ourselves, we shall be called to account, because we shall not be acting in good faith. For example, we could not go to Germany and make a treaty with that nation to the effect that hereafter there should be only one language of legal status in this Dominion of Canada, for if we did that and then attempted to base a law upon the treaty, the Privy Council would say that we had no power to pass such a law, and that we could not get it by such a roundabout method. Honourable senators will remember the famous Insurance case. We tried to get jurisdiction in insurance by criminal legislation, which was an attempt to achieve by a circuitous means something that we could not accomplish otherwise. As a nation we cannot make a treaty on a subject-matter which is not rightfully a subject for negotiation between us and another country. It has been held in the United States that the Federal Government has full power for the carrying out of treaty obligations, but the Supreme Court of that country has ruled that every treaty obligation must be in respect of a subject-matter which rightfully comes within the realm of a treaty. We could not go beyond that realm any more than they, and if we attempted to do so we should be called to account. So long as we make bona fide treaties for bona fide purposes and not merely with the intention of acquiring powers, we are on safe grounds.

Hon. Mr. CASGRAIN: Could Canada make a treaty repugnant to the laws of England?

Right Hon. Mr. MEIGHEN: That would take me into another stretch of territory, and we are on broad enough territory now. If I were to attempt an answer I should suggest that the honourable gentleman look at the Statute of Westminster. I am sure that our stand would be plain to the Premier of Quebec if he gave to the matter the same attention that he would were he a member of this House. Even had he had but a meagre reputation at the Bar, even had he practised but a few years—

Hon. Mr. CASGRAIN: No; many years.

Right Hon. Mr. MEIGHEN: —he would not like to stake his reputation so definitely as I have staked mine here, unless he were confident of his position. It is possible, indeed probable, that this whole subject will in due course be reviewed by our highest tribunal. I expect to be sitting opposite my honourable friend at that time.

Hon. Mr. CASGRAIN: On which side?

Right Hon. Mr. MEIGHEN: I ask him to remind me of this debate if there is any decision adverse to the stand taken by me six weeks ago and this afternoon.

Hon. Mr. ROBINSON: Would the right honourable gentleman kindly repeat his explanation as to the capacity in which the Canadian representatives signed the Treaty of Versailles?

Right Hon. Mr. MEIGHEN: Hitherto trade treaties and the like, made by Canada, had been signed by His Majesty the King through his advisers in England; after consultation, it is true, with the governing authorities in Canada. In course of time this country felt a sense of subordination and humiliation in that procedure. In its place grew up the practice of having the King sign in respect of Canada by Canadian ministers rather than by ministers of the British Government. This practice was carried into effect in the Treaty of Versailles, and in so far as the signature of the King as executive head of this Empire represented the will of Canada, it was attested by representatives of this country. But Canada, as a separate, self-governing entity, was no party at all to the Treaty of Versailles. Her name does not appear in the list of Powers; it is the British Empire that appears and the British Empire that signs.

Hon. Mr. LEMIEUX: I should like to know from the right honourable gentleman what cost will be involved in administering this proposed legislation, and the staff to be engaged.

Right Hon. Mr. MEIGHEN: The cost was estimated in the other House on the basis of the percentage cost in England. There the percentage is 15. It is the view of the Prime Minister, who has given the closest study to the purely insurance features of the Bill, that the cost will probably be more in Canada. I do not know whether members of the committee are going to agree with me or not, but I may say to my honourable friend that I think the Bill can be vastly improved along this line. A suggestion was made by one of the Labour members—maybe I am going further than I should—that the almost infinite right of appeal embodied in the Bill is in the interest of neither one side nor the other. The Englishman seems to regard the right of appeal as the very essence of his being, as something from which he cannot be severed under any consideration; but in this country we do not so regard it. The Workmen's Compensation Act of Ontario has worked excellently. The judgments of the tribunal are the judgments which count and by which all must abide. It seems to me that we can simplify this Bill in committee by extricating it from these cumbersome appeal provisions and so reduce the cost of operation. I see no reason why the cost should not be reduced until it is away below the percentage cost in England.

As to the number of employees, really I am afraid I cannot give any information. It will be considerable, no doubt. The 15 per cent cost of administration is appalling enough, but I am hopeful of our being able to make amendments which will reduce this cost considerably.

Hon. Mr. DANDURAND: I quoted Sir George Perley's official statement from page 1623 of the House of Commons Hansard of March 7: a total staff of 3,800, at a total cost of $6,700,000.

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

REFERRED TO COMMITTEE ON BANKING AND COMMERCE

Right Hon. Mr. MEIGHEN: It has been suggested that this Bill should be referred to the Committee on Banking and Commerce and the Committee on Immigration and Labour, but I cannot find any clause in the rules which permits of a reference of that kind. Certainly all members of the Senate have the right to attend meetings of committees.

Right Hon. Mr. GRAHAM: You might appoint a special committee, naming the members.

Hon. Mr. LEMIEUX.

Right Hon. Mr. MEIGHEN: We could appoint a special committee, but it would be a very large one.

Hon. Mr. CASGRAIN: Could you not refer it to Committee of the Whole?

Right Hon. Mr. MEIGHEN: We cannot hear representations in Committee of the Whole. This Bill went through the Commons without reference to any select committee, so there was no opportunity for representations in regard to it. We have to assume the task, therefore, that was not shouldered in the House of Commons, and the Bill must go to committee. I hope honourable gentlemen will be satisfied with the reference to the Committee on Banking and Commerce, and that honourable senators who are not members of the committee will attend.

The Bill was referred to the Standing Committee on Banking and Commerce.

LIMITATION OF HOURS OF WORK BILL

FIRST READING

Bill 21, an Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.—Right Hon. Mr. Meighen.

ECONOMIC COUNCIL OF CANADA BILL

FIRST READING

Bill 39, an Act to establish an Economic Council.—Right Hon. Mr. Meighen.

RELIEF BILL

FIRST READING

Bill 41, an Act respecting Relief Measures. —Right Hon. Mr. Meighen.

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

THE SENATE

Wednesday, March 27, 1935.

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

Prayers and routine proceedings.

CANADA'S NEXT GOVERNOR GENERAL

INQUIRY ON PRESS ANNOUNCEMENT

Before the Orders of the Day:

Hon. Mr. LEMIEUX: Honourable senators, I should like to ask the right honourable leader of this House if he can inform us as to the accuracy of a news item to the effect that Mr. John Buchan has received the appointment as next Governor General of Canada. The Ottawa Journal of this morning carried a story headed "John Buchan for Rideau Hall," and from the tenor of the story it would seem to be true. The article says that Mr. Mackenzie King has been consulted in the matter, and that it is scarcely probable Mr. Bennett would take it upon himself alone at this time to recommend Earl Bessborough's successor. I think that is complimentary to the leader of the Liberal party. However, that is merely an aside. But I should like to know if the news is true.

Right Hon. Mr. MEIGHEN: I freely admit that I ought to be in a position to give a negative or an affirmative answer to the question, and I apologize for my inability to do so. The reason I cannot give the desired information is that I have been prevented by morning and afternoon activities of the Senate from attending meetings of the Government. The question raised by the honourable senator will doubtless be referred to in the other House, if the news item is correct. Should it be so referred to, I shall make an announcement in this House later. I should have liked to be able to give a direct answer at once, as I ought to have been in a position to do. All I can say now is that if the information should prove true, I can commend the appointment on the ground of Mr. Buchan's position in English literature. He certainly has written some very valuable and exceedingly interesting books.

Hon. Mr. LEMIEUX: Hear, hear.

ROYAL CANADIAN MOUNTED POLICE BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 9, an Act to amend the Royal Canadian Mounted Police Act.—Right Hon. Mr. Meighen.

Hon. Mr. Donnelly in the Chair.

On section 3—officers' pensions:

Hon. Mr. CALDER: Honourable members, I have nothing to add in connection with this clause. When the Committee rose last Thursday it was understood that we were to be furnished additional information in respect to those members of the Mounted Police who would benefit under the proposed legislation, as to their length of service in South Africa and in the Mounted Police and the time that elapsed between their return to Canada and their becoming members of the force. As I stated last week, I think the principle is bad. Unless that information is available I intend to vote against this clause for the reasons which I have already stated.

Right Hon. Mr. MEIGHEN: I can give the information which the honourable senator desires. It is contained in the following communication from the Royal Canadian Mounted Police:

I enclose the following papers for the use of the Right Hon. Mr. Meighen:

(1) Copy of the R.C.M. Police Act, Chapter 160 of the Revised Statutes of Canada, 1927.

(2) Copy of Chapter 8 of the 1934 Statutes.

(3) Copy of Chapter 40 of the 1934 Statutes.

With regard to sections 2 and 3 of the Bill. The explanatory notes appear to be sufficient, but it should be borne in mind that the paragraphs (e), (i) or (j) (of section 30) therein referred to are those set forth in section 30 as amended by section 8 of the 1934 Statutes. See No. 2 of the above-mentioned enclosures.

Sections 4 and 5 of Bill No. 9 deal with service with the military forces in South Africa.

In connection with this matter it should be noted that by Chapter 19, assented to on the 7th May, 1900, all members of the force who were on active service in South Africa with the Canadian Volunteers are entitled to have such active service count for pension purposes.

That is, those who were members of the force at the time.

The intention of sections 4 and 5 is to allow all South African service to count irrespective of whether the present members of the force concerned were actually in the police at the time they enlisted for service in South Africa or not.

At the outside, there are not more than four commissioned officers and six other ranks who will be affected, and as the South African War was terminated over thirty years ago, no recruits coming into the force will be eligible for any of the benefits provided.

Cost.—It is not possible to arrive at anything more than an approximate estimate of the cost, as the actual ranks held and the pay of such ranks in South Africa have not been officially ascertained. Furthermore, it is not known at what rank in the police the officers and men concerned will be retired. An approximate estimate showing a net cost to the Government for the maximum of four officers and six men, amounting to a total of $863.80 per annum, is attached to this letter.

The computation is attached. The aggregate in respect of four officers appears to be $425.80 per annum, and in respect of six constables $438 per annum.

That is the information which the honourable senator asked for.

Hon. Mr. CALDER: It is scarcely the information I asked for; in fact it is a long way from it. What I wanted was definite information as to when these men joined the forces in South Africa, how long they were there, what length of time elapsed after their return to Canada before they joined the Mounted Police, how long they have been in the Mounted Police, what their ranks were in South Africa, their pay, and the cost. But a mere fraction of that information is given in the memorandum which has been read.

However, altogether apart from that—even if we had the information, it would not go to the root of the matter—there is a very important principle involved. As I pointed out the other day, two men join the forces in South Africa as volunteers. I say as volunteers; that is important. Those two men return to Canada at exactly the same time and both enter the service of the Crown, one the Mounted Police and the other the Civil Service. I say that if we adopt this principle so far as the Mounted Police are concerned, there is bound to be a demand that the same principle be applied to the man who goes into the Civil Service. The mere fact that a man was in the South African War and afterwards joined the Mounted Police does not entitle him to any better treatment that that received by the man who was in the South African War and afterwards joined the Civil Service.

Further, as I pointed out, we must consider the demand that will be made for the application of this principle to every man who served in the Great War and is at the present time in the Civil Service. Such men number thousands.

I intend to oppose the principle, because I do not think it is right.

Hon. Mr. DANDURAND: Last session, or two years ago, we had considerable discussion on this very matter. I am somewhat surprised, therefore, to see it before us again. I am a little curious to know who the gentleman is who is engineering this legislation and bringing it to us.

Right Hon. Mr. MEIGHEN: I am.

Hon. Mr. DANDURAND: I am not speaking of my right honourable friend.

Right Hon. Mr. MEIGHEN: I did not engineer it.

Hon. Mr. DANDURAND: Oh, no. It comes from a department. The persistency with which the matter comes before us makes me somewhat curious to learn what private interest is to be served by setting in motion what is proposed in this legislation.

What is the situation? Men enlisted for South Africa. They came back in 1900.

Hon. Mr. GRIESBACH: No.

Hon. Mr. DANDURAND: 1901.

Hon. Mr. GRIESBACH: No; 1902, to be accurate.

Hon. Mr. DANDURAND: It does not matter very much. They came back at the opening of the century.

Hon. Mr. GRIESBACH: No. Enlisted men in South Africa entered upon a three-year enlistment in the constabulary in 1901. They remained in South Africa, in the constabulary, until 1904 or 1905.

Hon. Mr. DANDURAND: I am speaking of all who served in South Africa. I refer, not to their individual actions in South Africa, but to the fact that they served there. They were equally meritorious, and were treated alike. Let us say that a dozen, or two dozen, South African veterans enlisted in the Mounted Police and have served in that force ever since. They have had steady employment and have been receiving pay all these years. It is true that they have served their country well, but why should they be treated differently from other South African veterans who entered civil life on returning to this country and have remained civilians, undoubtedly meeting with many difficulties in the business of making a living? Probably some of those people have become unemployed by this time. It seems to me that the State has done well by the veterans who joined the Mounted Police, and I am unable to see any good reason why the years they served in the South African War should be counted for pension purposes on their retirement. If we pass this section we shall be creating a precedent, as pointed out by the honourable gentleman from Saltcoats (Hon. Mr. Calder), and this may be cited in support of many other claims in the future. In view of our present financial condition I doubt if this is the time to open the door to such liberality of treatment for South African veterans who went into the Mounted Police.

Hon. Mr. LEMIEUX: If we create this precedent it may be invoked by survivors of the Nile campaign and the Fenian raid, who may bring forward some claim for benefits under the Pension Act. As we all know, pensions represent a large portion of the financial burden that we have to carry every year.

Hon. Mr. BELAND: More than $40,000,000.

Hon. Mr. LEMIEUX: Yes. I should like to please my honourable friend from Edmonton (Hon. Mr. Griesbach), but I fear the danger of creating a precedent, as pointed out by the honourable senator from Saltcoats (Hon. Mr. Calder). The passing of this section might result in opening the door to many demands which we cannot now foresee. If I were the honourable gentleman from Edmonton I should not insist on this clause; I should ask that it be deleted. Our obligations are heavy enough now. The Dominion faces a terrible financial situation. Let us not make it any worse. If we do, it will become something more than a white man's burden.

The CHAIRMAN: Shall section 3 carry?

Some Hon. SENATORS: No.

The CHAIRMAN: Those who are in favour of the section will say "Content."

Hon. Mr. GRIESBACH: Content.

The CHAIRMAN: Those who are against the section will say, "Not content."

Some Hon. SENATORS: Not content.

The CHAIRMAN: The section is rejected.

Right Hon. Mr. MEIGHEN: I wonder whether subclause 9 of clause 3 becomes unnecessary on account of the rejection of subclause 8. Subclause 9 reads:

(9) Time served with the military forces for which a pension has been granted under the provisions of the Militia Pension Act, chapter one hundred and thirty-three of the Revised Statutes of Canada, 1927, shall not be included in the term of service for the purposes of pension under this Part.

The marginal note to section 48 of the Act itself reads: "Officer's service in Dominion Police force included for pension purposes." That apparently was the first inclusion of other service for pension purposes, and it went through in 1919.

Subsection 2 of the same section, which according to the reference at the end of the section was passed in 1924, reads:

Time served in the Civil Service of Canada which could be reckoned for the purposes of Part I of the Civil Service Superannuation and Retirement Act may in like manner be included in the term of service for the purpose of this Part.

I am not sure that is objectionable. I presume the intention is somewhat like this. A man has been in the Civil Service and leaves. Either immediately or some time afterwards he is transferred to the Mounted Police, and if his time served in the Civil Service could be counted for pension purposes, the effect of this subsection 2 is to include that time when his pension in the Mounted Police is computed. I cannot say that is very objectionable, although it is hard to defend. If a man left the Civil Service, filled some position in private life for three or four years, and later joined the Mounted Police, why should the time he served in the Civil Service be counted for pension purposes when he retires from the Mounted Police?

Hon. Mr. GRIESBACH: That is not what was intended to be dealt with by that subsection. A considerable number of persons, some 156, were taken over by the Mounted Police when the force absorbed the preventive service.

Right Hon. Mr. MEIGHEN: That may be so. Now, the third subsection of section 48 provides that time in the Civil Service under the Retirement Fund shall be included. And the fourth subsection provides:

Subsections one and three of this section shall be construed and applied with relation to officers in the Force on the nineteenth day of July, one thousand nine hundred and twenty-four, as if the same had been enacted on the first day of February, one thousand nine hundred and twenty.

That is to say the taking effect of those two subsections was predated.

That is how section 48 stood when it was passed in 1924. The next amendment to the section was apparently made in 1932, when subsections 5 and 6 were added; but I have not copies of these. In 1934 subsection 7 was added, reading as follows:

Recognition of prior service in and time served in any provincial police force with which the Federal Government has an agreement under section five of this Act, at the time of the officer's appointment or re-appointment, or subsequent to such appointment or re-appointment, may be included in the term of service for the purpose of pension under this part, provided the officer pays the amount required by the Governor in Council.

That is to say, time served in provincial forces absorbed by the Mounted Police shall be counted for purposes of pension under the Mounted Police Act.

Now we come to what would have been subsections 8 and 9, if this clause 3 of the Bill had been passed. Subsection 8 has been rejected, but let us look at subsection 9:

Time served with the military forces for which a pension has been granted under the provisions of the Militia Pension Act, chapter one hundred and thirty-three of the Revised Statutes of Canada, 1927, shall not be included in the term of service for the purposes of pension under this Part.

I presume that has no application now that subsection 8 has been rejected.

Hon. Mr. GRIESBACH: I think it refers to a different matter. In 1919 or 1920 the permanent force found itself overloaded with senior non-commissioned and newly promoted officers, as a result of the termination of the War. There was a surplus of some 300 who were quite unnecessary for the proper functioning of the permanent force. So provision was made, by a measure similar to what is known as the Calder Act, to pension them. Now this subsection 9 provides that the time served with the military forces for which a pension has been granted shall not be included in the term of service for the purposes of pension under the Mounted Police Act. Let us say an officer was pensioned after ten years' service in the military forces. Ordinarily he would be eligible for enlistment in the Mounted Police. There is a rule or provision, which I cannot cite at the moment, that a man cannot draw pay and pension at the same time. So in the case of such an officer his military pension would be suspended and he would merely draw his pay from the Mounted Police. Now when the time comes for him to retire from the Mounted Police, this subsection 9 provides that the time he served with the military forces, for which he already has been granted a pension, shall not be included for purposes of pension under the Mounted Police Act.

Right Hon. Mr. MEIGHEN: What I am wondering is whether this subsection 9 is necessary when subsection 8 is rejected.

Hon. Mr. GRIESBACH: This subsection 9 merely provides that if a pension has been granted to a man under the provisions of the Militia Pension Act, the time he served and for which he received that pension shall not be included when his Mounted Police pension is computed. Subsection 9 has no particular reference to any one war; it refers to service in military forces in general.

Right Hon. Mr. MEIGHEN: Have we already passed legislation which adds the time of service in the military forces, which I understand mean the permanent forces, to the time served in the Mounted Police for the purposes of computation of pensions under the Mounted Police Act?

Hon. Mr. GRIESBACH: I think we have.

Right Hon. Mr. MEIGHEN: If we have done that, then we should pass this subsection 9 and renumber it subsection 8.

Hon. Mr. MURDOCK: The marginal note to subsection 9 reads, "If pension granted under the Militia Pension Act." I should like to ask if there are in the Mounted Police any men who are drawing a pension under the Militia Pension Act.

Hon. Mr. GRIESBACH: I could not answer the question specifically, but probably there are. As I explained a moment ago, at the outbreak of the War there were a number of young men in the permanent force who had joined at the age of 19 or 20 and had served five or six years. During the War their promotion was accelerated and they finished their war service with the rank of captain or lieutenant. There was no room for them in the permanent force, and by special enactment they were pensioned. In 1920 they were at an age to join the Mounted Police, and I fancy some of them were drafted into the force.

Hon. Mr. MURDOCK: If we pass subsection 9, and any of those men are drawing a pension as a result of their military service, would they in course of time qualify for another pension from the Mounted Police, and then receive two pensions?

Hon. Mr. GRIESBACH: They would draw two pensions, but for two periods of service. There is nothing wrong in a man's drawing two or even a dozen pensions; the important point is his length of service. We have a number of examples of that. This is a case where a man having served ten years in the permanent force is retired on a pension; then he serves twenty years in the Mounted Police The two pensions will probably approximate to a thirty-year pension.

Right Hon. Mr. GRAHAM: But the man does not draw his pension when he is drawing a salary from the Mounted Police.

Hon. Mr. GRIESBACH: No.

Hon. Mr. MURDOCK: We briefly discussed this pension question last session. May I again bring to the attention of honourable members the case of an individual pensioned by the Government of Canada to the extent of $8,000 or $10,000 a year. He has gone into private business—I am told, one of the most lucrative in the city of Toronto. Now then, is or is not Canada in hard luck? Is Canada prepared to deal fairly and reasonably by its civil servants? I think it is. But may we not overdo it? I understand the honourable senator from Edmonton (Hon. Mr. Griesbach) to admit that under subsection 9 it would be possible in the years to come for certain members of the Mounted Police to draw two pensions.

Hon. Mr. CALDER: Not under this section.

Hon. Mr. MURDOCK: This is the marginal reference to subsection 9: "If pension granted under the Militia Pension Act." It would imply that there are some men in the Mounted Police drawing a pension under the Militia Pension Act.

Hon. Mr. GRIESBACH: A man is discharged from the permanent force under the circumstances I have described and is awarded a pension. Assuming, for the sake of argument, that he joins the Mounted Police the following week, his pension under the Militia Pension Act ceases while he serves in the Mounted Police. When, after, say, twenty-five years' service, he retires to civil life and becomes entitled to a Mounted Police Pension, payment of his militia pension is resumed. There is no odium attached to the receipt of two pensions if the amount for the combined services is the same as it would be for a similar period of continuous service in one force. This section restricts; it does not enlarge.

Hon. Mr. MURDOCK: But it is admitted that later on it may be possible for a member of the Mounted Police force to draw two pensions.

Right Hon. Mr. GRAHAM: Not for the same service.

Hon. Mr. MURDOCK: But he would draw it from the same Government.

Right Hon. Mr. MEIGHEN: I do not see anything objectionable in that. Suppose a man had served thirty-five years in one service; then his pension would be the same in amount as if he had served ten years in one force and twenty-five years in another.

The honourable senator raises the point, should a man who is able to earn additional income continue to draw his pension from the Crown? I want the honourable senator to see that if the man has a Government position, then, at least in the class of cases mentioned by the honourable senator from Edmonton, his pension from the Crown ceases. I am not sure that it does in every case. If a pensioner is able to earn money after his retirement, he is entitled to do so. Even the ordinary soldier pensioned because of war wounds or other infirmity, is permitted to earn whatever he can over and above his pension.

Right Hon. Mr. GRAHAM: And he can earn it even from the Crown.

Right Hon. Mr. MEIGHEN: Yes, if he gets his pension for disability; but not if he gets it for service. If he is pensioned for disability he ought to be entitled to whatever additional money he can earn.

Right Hon. Mr. GRAHAM: He really has a preference.

Right Hon. Mr. MEIGHEN: Yes, the same as any returned soldier. The honourable member (Hon. Mr. Murdock) has in mind what may be an extreme case, some man who is particularly fortunate; but you cannot legislate to cover a single case. You have to say either that a man who draws a pension is to be at liberty to go out and earn money, or that he shall be debarred from doing so. I know—for the attempt was once made—that if you take steps to stop a pensioner from earning money there will be a roar, not only from the man himself, but from the public generally, because the human heart revolts against the idea of preventing anybody from earning what money he can merely because he is drawing a pension. I have heard the roar. I do not know any class it did not come from. If the Government of which the honourable senator was a member made any attempt to do that sort of thing—I do not think it did—his ears would be ringing still with the protests.

Hon. Mr. MURDOCK: Would the right honourable leader of the House indicate what is the underlying principle of a pension paid by the Government of Canada?

Right Hon. Mr. MEIGHEN: It is not in issue just now, and I am not sure that I am competent to frame extempore definitions which will be invulnerable.

Hon. Mr. DANDURAND: There have been three Pension Acts.

Right Hon. Mr. MEIGHEN: Yes. A pension, aside from a war disability pension, is a retiring allowance fixed by statute, to which the pensioner becomes entitled by length of service fixed by statute, the underlying principle being that a better class of servant can be secured, and perhaps at a lower rate, by ensuring a certain amount of compensation for him after his term of service expires.

Hon. Mr. BELAND: And the longer the service the larger the pension.

Right Hon. Mr. MEIGHEN: Yes, and the less the ability of the pensioner to earn something afterwards. But he has never been forbidden to earn whatever he can.

Now, if the honourable senator feels that nobody should be permitted to draw a pension if he is able to earn money, I can only hope that some day he will be a member of a Government which will attempt to bring that prohibition about, and I am sure that if he is he will never forget the attempt.

Hon. Mr. MURDOCK: May I ask another question? Is it not a reasonable assumption that the average man is all through with remunerative work about the time of his retirement, and therefore the Government obligates itself to take care of him with a pension for the rest of his life? Is that the principle?

Right Hon. Mr. MEIGHEN: No, that is not quite fair. It may be that in the general run of cases the pensioner will be all through. But men are not built alike; they have not the same intellectual or physical endowments. The stronger half, or third, or quarter, may on their retirement be more competent than they ever were. Nevertheless the statute has to be general. That stronger half, or third, or quarter, will say: "Very well, we are able to earn money; we are going to do it. We have earned our pension and we are entitled to receive it. We completed our contract under which you agreed to give it to us. Now, are you going to deny us the right to earn more if we can?"

Hon. Mr. GRIESBACH: And they pay for their pensions.

Right Hon. Mr. MEIGHEN: Yes, usually by contributions. Perhaps the gentleman to whom the honourable senator refers paid for his pension by contribution.

But to come to the subsection. It may be the honourable senator behind me (Hon. Mr. Griesbach) is right, that there are some members of the Mounted Police force with military service to whom this restriction should apply, and that the time which earned their pension for military service is not to be counted in the computation of their Mounted Police pension. But here we have this explanation on the right side of this page:

> The intention is to permit time served in South Africa with the military forces during the years mentioned to count for pension in the same way as is done with the permanent corps of the active militia.

If that is a common-sense explanation, when subsection 8 goes subsection 9 ought to go too. I do not think myself it is either a common-sense or a complete explanation. Perhaps the logical course for us to take is to accept the explanation as it is and strike out the two subsections. Then when the amended Bill is dealt with in the House of Commons the Minister in charge of it can put back subsection 9 if he wishes to. I do not think I am supposed to go back over the history of the legislation to cover the laches of the Department of Mounted Police.

Hon. Mr. MOLLOY: It is admitted that a pension earned in the permanent force continues to be payable to the pensioner.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. MOLLOY: Then if he serves twenty or twenty-five years in the Mounted Police he earns another pension. He is entitled to both, because he has earned them. So leave him alone.

Hon. Mr. CALDER: There is another phase of the pension question that should not be lost sight of. It is in a sense the same as superannuation under the Superannuation Act. People are apt to ask, "Why does the Government provide a superannuation allowance to a civil servant?" The point is lost sight of that to a very large extent civil servants are paying for their pensions. It is a kind of insurance. We have been dealing with an Unemployment Insurance Bill. The principle involved is exactly the same. Men and women in the Civil Service contribute annually a certain percentage of their salaries and the State also makes a contribution to the fund. The State believes in the principle that after a man has served thirty or thirty-five years in the public service some provision should be made for the tail-end of his life. So we have superannuation provided for the Civil Service. The commercial world does exactly the same thing.

Hon. Mr. LEMIEUX: Hear, hear.

Hon. Mr. CALDER: Every bank in Canada provides a superannuation fund for its employees. Each member of the bank staff has to set aside, as insurance, a certain portion of his monthly salary. That is insurance against a person having nothing to live on when he reaches a certain age.

Hon. Mr. LEMIEUX: That is good labour legislation.

Hon. Mr. CALDER: So, when dealing with superannuation and pensions, we must not lose sight of the fact that the beneficiaries have contributed and that, apart from a small amount furnished by the State, the funds are self-sustaining.

As far as the militia are concerned, and also, I presume, the Mounted Police. I should imagine the situation to be this. The commissioned officers in the Mounted Police and in the permanent force make contributions in just the same way as do members of the Civil Service. But as for the private, the State recognizes that he is a poorly paid man, and it assumes the entire responsibility.

He is not called upon to contribute anything towards the pension, because he serves at a very low rate. Others in the service are paid at a comparatively high rate.

I am a firm believer in the principle of insurance and pensions. If we had started a system of contributory insurance for all our people, including industrial workers, fifty years ago, we should not now have the tremendous problem that confronts us to-day. If the individual, and his employer, and the State had contributed on an actuarial basis the funds necessary to provide for such a situation as we have had in Canada for the last six years, there would not have been one-tenth of the trouble that we now have on our hands. So I say that as pensions, insurance and superannuation are based on right principles and have proper objects in view, we should do everything we can to get all these claims into proper shape.

Hon. Mr. GRIESBACH: I have no responsibility for this legislation, but I understand that it is proposed to strike out subsections 8 and 9. I suggest that you strike out subsection 8 and pass subsection 9. I do not think they are related at all.

Right Hon. Mr. MEIGHEN: It was my view that we ought to take this explanation on the right-hand page at its face value, if it is of any value, and to strike out subsection 8 and subsection 9. I am convinced, however, by the remark of the honourable senator from Edmonton (Hon. Mr. Griesbach) that the explanation is worthless and, having this consideration in mind, I think it would be wise to restore subsection 9. This subsection contains a restricting provision; consequently if we restore it, and it is wrong, it is certain to be corrected.

Hon. Mr. SINCLAIR: Is it a restriction relating to subsection 8?

Right Hon. Mr. MEIGHEN: I do not think it relates to subsection 8. Even if it does, it is restrictive; consequently it will not be missed by the Department. So I move that subsection 8 be struck out and that subsection 9 be made subsection 8.

Hon. Mr. DANDURAND: If the right honourable gentleman has any doubt as to the soundness of the interpretation he has just given, which seems to be somewhat of a hypothesis, as we have considerable time at our disposal, would it not be as well for the Committee to rise and report progress?

Right Hon. Mr. MEIGHEN: I am confident that the honourable senator from Edmonton is right.

Time served with the military forces for which a pension has been granted under the provisions of the Militia Pension Act—

Hon. Mr. SINCLAIR: Would that apply to time served in South Africa?

Right Hon. Mr. MEIGHEN: I should not think it likely. If it is intended to apply only to that, and therefore is necessary only if subsection 8 passes, it is sure to be struck out. But if we struck it out now, I am not so sure that it would be restored, even if it ought to be.

Hon. Mr. BLACK: It has no reference to subsection 8 at all.

Right Hon. Mr. MEIGHEN: I would move to restore section 3, leaving out subsection 8, and numbering subsection 9 as subsection 8.

The amendment was agreed to, and section 3 as amended was agreed to.

On section 4—constables' pensions:

Right Hon. Mr. MEIGHEN: A similar motion should be made here. It will be moved by Hon. Senator Calder, and seconded by Hon. Senator Black, that section 4 be amended by striking out the portion numbered 5, and changing 6 to 5.

The amendment was agreed to, and section 4 as amended was agreed to.

On section 5—widows' and orphans' pensions:

Right Hon. Mr. MEIGHEN: This merely limits the time within which a constable may elect, without proof of health on his part, to accept the benefits of Part IV of the Royal Canadian Mounted Police Act, which was passed last year, and which covers pensions to widows and children. The time is to be limited to eight months, with a provision for extension, rather than be fixed at one year.

Section 5 was agreed to.

Section 6 was agreed to.

The Bill was reported as amended, and the amendments were concurred in.

THIRD READING POSTPONED

The Hon. the SPEAKER: When shall this Bill be read a third time, as amended?

Hon. Mr. DANDURAND: I would suggest to the right honourable gentleman that this Bill be set down for third reading on Tuesday next, so that if there is any depart-

mental reaction to the work of our Committee the right honourable gentleman may be informed of it.

Right Hon. Mr. MEIGHEN: That is quite satisfactory.

CANADA'S NEXT GOVERNOR GENERAL

Right Hon. Mr. MEIGHEN: Before the next Order of the Day is called, I crave the indulgence of the Senate while I make a further statement with reference to the question raised by the honourable senator from Rougemont (Hon. Mr. Lemieux). It is true that His Majesty the King has been graciously pleased to nominate Mr. John Buchan, member for the Scottish Universities in the Imperial House of Commons, as Governor General of Canada, the appointment to be effective at the expiration of the term of His Excellency the Earl of Bessborough.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: We have not been informed as to when the term of His Excellency the Earl of Bessborough will end. I was under the impression that it would be at the conclusion of this year.

Right Hon. Mr. MEIGHEN: I am not in a position to state the exact date, but I know it is some time in the autumn of this year.

Hon. Mr. DANDURAND: Perhaps it would be timely for me to say a word on this appointment. I desire to state that I rise with some diffidence, and with perfect knowledge that I am speaking for myself alone.

Inasmuch as I am advancing in years, I had hoped that before leaving this side of the Styx I should experience the satisfaction and pride of seeing a Canadian appointed as Governor General of Canada. By the Statute of Westminster we have established our absolute equality with the other parts of the Commonwealth, and I think it would have been somewhat in keeping with our new status to suggest to His Majesty the King that a Canadian be appointed as Governor General of Canada. Two or three years ago Australia set us an example in this respect: Sir Isaac Isaacs, who was Chief Justice of its Supreme Court, is now the Governor General of Australia. I should have been happy to hear from the lips of my right honourable friend that the Government of Canada had suggested the name of one who for a long and momentous period was at the head of the Government, and is now the highly respected dean of the Conservative party, the Right Hon. Sir Robert Borden. I will mention also the venerable Sir William Mulock, Chief Justice of Ontario, and Sir Robert Falconer, the retired President of Toronto University. I mention but three names; I could mention others. It seems to me that the raising of a Canadian to the high and honourable position of Governor General would cause the Canadian people to feel that they had grown up to their new status.

Having had this thought in mind for some time, I thought it but right to give expression to it, and I trust that by having done so I am not prevented from joining in the eulogy of the future occupant of Rideau Hall. I recognize that the appointment is a happy one, Mr. John Buchan having all the qualifications necessary to adorn the post.

Hon. Mr. LEMIEUX: Honourable senators, I quite agree with the honourable the leader on this side of the House that the idea which has been in the public mind for some years, of having a full-blooded Canadian as Governor General of this country, will some day be realized, and that no more worthy name could be mentioned for the post than that of the Right Hon. Sir Robert Borden. However, if we are not to have a Canadian as our next Governor General I think His Majesty the King has been well advised in selecting a son of Scotland.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LEMIEUX: I have a great admiration for the English people, and, of course, for the Irish people; but I remember the old alliances between Scotland and France. I say that the selection of John Buchan is a credit to the Mother Country and will be of benefit to Canada as well. We have in this country two great basic races, the English and the French, and if we study our history we find that the Scotchman has always been a good interpreter, an agent de liaison, between the English and the French. Therefore I welcome the appointment of John Buchan. I know that he will be well received by all parts of this Dominion, particularly by the section from which I come, the province of Quebec.

Hon. Mr. BELAND: As the two honourable gentlemen who have preceded me are still young, strong and hearty, I think their anticipations will be fulfilled, and that they will see a Canadian as Governor General of this country. As for me, I declare myself entirely satisfied with the appointment which has been made.

Hon. Mr. CALDER: Were it not for the remarks which have just fallen from the lips of the honourable gentleman (Hon. Mr.

Béland), I would not say a word at this time. I know there is considerable sentiment throughout Canada in favour of the appointment of one of our own citizens as Governor General. Much can be said in support of such a proposal. However, I have often wondered if in the end it would be the very best thing. After all, we must not forget that the person who holds the very high position of Governor General in our land is not always a mere rubber stamp or simply a social functionary. There are occasions when he has very important state functions to perform—occasions which may occur at any time. One can never tell when we may have an acute political crisis. It is all very nice to say that our good friend Sir Robert Borden should be Governor General of Canada, but if he were to stand as arbiter between the two political parties in this country in times such as I have mentioned, as he might have to do, what would half the people of Canada say?

Hon. Mr. LACASSE: Byng!

Hon. Mr. CALDER: And what would the other half say? We should have a fine Canadian row on our hands.

It seems to me far better for our own safety, and for the good of the country—I am speaking of the political side of our affairs—that in a situation of that kind we should have someone who would be in an independent position. We should have someone who has never been mixed up in our local party affairs. I would go a little farther than that. In my opinion it would be a wise thing if the persons appointed as Lieutenant-Governors were in every case chosen from a province other than that in which they are to hold office.

Right Hon. Mr. GRAHAM: Hear, hear.

Hon. Mr. CALDER: I think it would be far better if a man from Nova Scotia, for example, were appointed as Lieutenant-Governor of British Columbia. He might never have been in British Columbia, and in any event would probably not be familiar with the affairs of that province, but so long as he is a man of sound sense and good judgment he would be in a far better position than a local man to carry out the duties of the office in the event of an emergency. Perhaps he would not be at any advantage so far as social gatherings are concerned, but there always is the danger that a political crisis may arise, and we know from experience how essential it is that the man who has to deal with the issues should be one who is absolutely independent and in whom the general public has full confidence. While there is a good deal to be said in favour of the appointment of a Canadian as Governor General of Canada, I am inclined to think that the present method of appointment is better. We must remember that the office is never filled until our own Government has been consulted. As I understand it, the Canadian Administration must give its approval, and the matter is no longer left entirely to Downing Street.

Hon. Mr. DANDURAND: My honourable friend is referring to the former method. Nowadays the Government of Canada suggests the name.

Right Hon. Mr. MEIGHEN: It always has been so.

Right Hon. Mr. GRAHAM: Honourable senators, I am not sure that I agree with anyone. That is contrary to my usual experience. My honourable friend from Saltcoats (Hon. Mr. Calder) has suggested that a man should not be appointed Lieutenant-Governor of a province in which he has been residing. If my honourable friend had made a practice of reading the speeches of great men he would have known that I made that suggestion when addressing the Canadian Club six years ago.

Right Hon. Mr. MEIGHEN: At Ottawa?

Right Hon. Mr. GRAHAM: Yes. What I said is now on record among the speeches delivered before that body. My remarks were directed at the time more particularly to the fact that sometimes a misunderstanding is created between Quebec and Ontario because of certain questions which arise. This should not be so, but it is. And I suggested it would be a good thing if a man from Quebec were selected as Lieutenant-Governor of Ontario, and an Ontario man as Lieutenant-Governor of Quebec, for that method would lead to a better understanding as between the most influential classes of the two provinces. It would also be an advantage if men from the East were appointed to the West, and vice versa. I think I suggested by way of example that a man from Nova Scotia should be appointed to the Alberta office. He probably would find that half the people in Alberta came from his own province; so he would not be among entire strangers. In any event, these exchanges would promote better understanding between various parts of the country. I think it is safe to say that if there were a more accurate knowledge on the part of all of us of conditions in provinces other than our own, the work of the Banking and Commerce Committee of this House would be much easier. However, this is a little aside from the matter we are discussing.

I should have no objection to the appointment as Governor General of any one of the Canadians whose names have been mentioned, if I could really bring myself to the point of thinking the time had arrived when we should have one of our own countrymen in that office. I am not much afraid of the danger referred to by the honourable gentleman from Saltcoats (Hon. Mr. Calder), because a man like Sir Robert Borden, for instance, who himself has been Prime Minister, would if appointed Governor General be likely to act readily on the advice of his constitutional advisers. I imagine that if a Canadian were appointed there would be less danger of difference of opinion between the Governor and the Administration than there is under the present system. But I am old-fashioned as well as old, and I cannot bring myself to the point of agreeing that it would be wise to sever the last link between the Motherland and ourselves. The British Dominions have become more or less separate entities, but there is one Throne to which we all are connected. We could say that if a Canadian were appointed Governor General of Canada he would be the representative of the King, but for me the change would mean a weakening of our connection with the Throne. That is my own sentiment. I am old-fashioned enough to be unable to bring myself to a frame of mind favourable to the appointment of a Canadian.

Right Hon. Mr. MEIGHEN: Honourable senators, though the right honourable gentleman from Eganville (Right Hon. Mr. Graham) says he does not agree with anyone, I am very happy to say that I agree wholeheartedly with him, and as well with the honourable gentleman from Saltcoats (Hon. Mr. Calder). To me it would seem regrettable indeed if this country were to moor itself so far from the Motherland as to sever that link which is the most obvious of all, and which I think should be the most lasting, the symbol of our common allegiance with the fountain and centre of the Commonwealth. And I am sure that such a severance would be regrettable to the greater part of our country. It has been remarked that a precedent has been established in the appointment of an Australian as Governor General of his own country. Australia is a federation of seven states, all having their own Governors General, who are appointed in the same way as is the Governor General of Canada. Every one of them has the title of His Excellency, and they all come from Great Britain. I have no right whatever to venture an interpretation of Australian opinion, but I can go so far as to suggest that the fact that an experiment has been tried there is not an assurance it will be made permanent. If it should be decided to go back to the former system, the decision would in itself be no reflection upon the present Governor General, His Excellency Sir Isaac Isaacs.

I will now explain why I concur in what has been said by the honourable senator from Saltcoats (Hon. Mr. Calder). It is generally assumed that the function of the Governor General in relation to matters of government is to follow the advice of his ministers, and that alone. As it is almost universally true that the Governor General does follow this course, the assumption is not at all unnatural. But in the fullest sense it does not hold good. It is unnecessary for me to do more than refer to an incident which took place in Manitoba about twenty years ago. The position and duties of the Lieutenant-Governor of a province are analogous in the provincial sphere to those of the Governor General as respects the whole of Canada. In the case to which I refer the Lieutenant-Governor of Manitoba refused to comply with the advice of his ministers to dissolve the Legislature. I would refer to a similar incident of a later date were it not that I was immediately concerned and have no desire to revive a controversy.

My point here is that the function of the Governor General, in so far as he at any time becomes an arbiter—indeed, his basic function with respect to legislation, Parliament and the Government—is not to override the Government, much less Parliament, but rather to see that no action of the Administration is a defiance of or a refusal to submit itself to Parliament. His duty is to see that the supremacy of Parliament over the Government is maintained at any time that it may become necessary for him to intervene. Such was the responsibility as seen by Sir Douglas Cameron twenty years ago, when as Lieutenant-Governor of Manitoba he rejected the advice of his ministers and refused to dissolve the Legislature. His purpose was to make certain that the will of the Legislature in relation to a certain matter then before it was not thwarted by a dissolution. It will not be difficult for honourable members to see that at any time, in federal or provincial affairs, it might become the duty of a Governor General or a Lieutenant-Governor to vindicate the supreme and final authority of Parliament or the Legislature as against the wish of a Government. And there can be no doubt that in the event of such circumstances arising in the federal arena the stand taken by the Governor General will be more easily acceptable to the people of

Canada if he has never been connected with any party than if he has been a Canadian party leader or office holder, regardless of how dignified he is, or how beloved he may have become since he discontinued his active political career.

Therefore it seems to me well that we should not abandon the system which has been associated with our history ever since we became a country. In the first place, it constitutes almost our last link with the Throne, and if that link is severed we shall be in little better position than was Hanover when its King was George the First, who was also King of England.

My second point in favour of a continuation of this system is the impartiality of the appointeee, who is agreed upon and indeed suggested by the Government of Canada. He is always well known and highly regarded in the Motherland and never has been embroiled in Canadian politics.

For those reasons I am much pleased that there has been no departure in the matter of making this new appointment. I personally had nothing to do with the choice that has been made, but I think it is a good one. I am glad that one who, though not ennobled, is noted for his high achievements, who has risen to a distinguished position by his own efforts and genius, has been chosen for the most exalted diplomatic position within this Empire. I know that Mr. John Buchan will be warmly welcomed at the hands of all classes of Canadians.

FARMERS' CREDITORS ARRANGEMENT BILL

REPORT OF COMMITTEE ADOPTED

The Senate resumed from March 20 consideration of the report of the Standing Committee on Banking and Commerce on Bill 10, an Act to amend the Farmers' Creditors Arrangement Act, 1934.

Hon. Mr. BLACK: I think that consideration of this report was postponed a few days ago because the honourable leader on the other side (Hon. Mr. Dandurand) desired to make some comment.

Hon. Mr. DANDURAND: Honourable senators, the Chairman of the Banking and Commerce Committee (Hon. Mr. Black) is aware of the discussion that arose in committee as to the position in which an endorser of a note is placed when the debtor cannot meet his obligation and obtains a reduction of the principal. The Bill provides that in such a case the endorser shall continue to be liable for the full amount of the debt covered by his endorsement. I cannot say anything more than I have already said on this subject, and I leave it to the Senate to pass the amendments proposed in the report if they are thought proper. There are in this Chamber honourable gentlemen who are members of the Bar of the province of Quebec, and they will have to take the responsibility jointly with me.

Hon. H. S. BELAND: Honourable senators, when this law was promulgated last year much was said as to the benefits expected to result from it, especially to farmers. If I remember rightly, it was thought that one of the effects would be an extended application of the golden rule from a social point of view; and it was also felt it would bring about some economic improvements by assisting in the continuation of farming operations that otherwise would have been abandoned. Now the only way we can test the value of a law is in its application. This Act has been in force almost one year, as I understand it. I was born and reared in a farming community, and I have lived in another farming community ever since I graduated as a medical doctor. I have yet to learn that farmers in the province of Quebec, at least, have been remiss in the duty of honouring financial obligations. In the province of Quebec, perhaps more than in any other provinces, this duty was regarded as an ethic, as probably a royal mandate was regarded in the Middle Ages. Then all of a sudden the farmers in Quebec—I am referring to my own province particularly—are informed that a new law has been enacted having something to do with the payment of farmers' debts. The information respecting the legislation may not be quite correct, but an impression is created throughout the rural communities that by some mysterious means farmers will be relieved from paying their debts. Naturally there is great rejoicing. Human nature being what it is, frail and weak, many ask themselves whether it would not be possible to do away with repayment of the money they owe.

To illustrate this point. I have been brought to my feet to-day by a letter published in a French newspaper. It is written by a very eminent lawyer of the district of Quebec. His name I am not at liberty to reveal at the moment. I may add that he is well known to my right honourable friend opposite and is highly regarded as a legal authority and an honourable man. He says that in the last few months he has sent out 650 letters to farmers requesting payment of moneys owing by them. He has received only two replies, one to the effect that his

correspondent will have a few chickens next season, and the other that he has some eggs. This shows the application of the law in that part of the country has not been very successful. Abuses of different kinds have cropped up.

A very unsatisfactory consequence of the application of the Act is the desertion of our country towns and villages by professional men. Honourable members may be inclined to think that that is not a calamity. I would remind them that a resident physician is essential to the life of our country villages. Take Callander, Ontario, if you like, and it will be realized how important are the services of a medical practitioner to a rural community. As a matter of fact the Act in its operation actually deters medical men from settling in country districts. Why? Because the farmers, being aware that they can now secure exemption from payment of their debts, will not pay medical fees sufficient to induce a doctor to take up permanent residence among them. That is one of the calamitous consequences of this law. I have personal knowledge of two young medical men who intended to settle in a small town in the constituency which for a number of years I represented in the other House, but after a few weeks' experience they were compelled to abandon their plan. They soon became cognizant of the general operation of this law, and realized that their professional income would be so slender as to make it almost impossible for them to maintain themselves.

This state of affairs is a calamity. The country physician has been highly honoured by our great writers, and, if I remember correctly, one of Balsac's most interesting works bears the title "The Country Doctor." The country doctor performs all sorts of duties. He is a helper to the poor in sickness, he is their adviser; in short, he is recognized as the guardian of the community. The people feel that with a doctor in their village they are in some way protected against all kinds of evil chance. This is well known, and, I am confident, is borne out by the experience of many honourable senators. When, for instance, a new parish is organized in the northern part of either Quebec or Ontario, what is the first concern of the few settlers? Needless to say, it has to do with their spiritual welfare. They arrange to build a chapel, resolving that later, when they have saved a little money, they will build a stone church. But what is their next concern? Has it to do with a lawyer? With all due respect to honourable gentlemen who practise the noble profession, they do not desire legal services. They say: "We have a priest for our spiritual health, now we must have a doctor for our physical health. We are a small community, but we shall grow." They get into touch with a young physician and beg him to settle among them. The presence of a doctor is, I say, an important factor in the development of a rural community, but I am afraid the operation of this law will deter many medical men from settling in our country towns and villages. This, I say again, is a calamity.

Another prejudicial effect of this law I deprecate very much. I refer to the loss of confidence in our farmers on the part of those who are able to extend to them credit facilities. The legislation was passed for the benefit of our farmers, but apparently it will be prejudicial to their interests. That is my impression. Of course, I do not assert it as a certainty, but I feel convinced that the farmers will lose immensely through their credit being weakened. Abuses are creeping in. To-day our farmers do what they would not have thought of doing in years gone by. They seek to hide themselves behind the law and to discharge their debts at less than their face value. I submit this is a regrettable consequence of the operation of the law.

Hon. Mr. ASELTINE: Is the honourable senator referring to the Act passed last year or to the proposed amendments?

Hon. Mr. BELAND: I am referring to the Act passed last year. I shall come to the amendments.

Hon. Mr. ASELTINE: Is the honourable gentleman advocating repeal of the law enacted last session?

Hon. Mr. BELAND: Yes. As I understand the present law, a séquestre, as we term him in French, is called in, a proposal is made to him by the debtor, and he acts as arbiter between creditor and debtor. The séquestre is usually a man of very small experience and likely to be amenable to pressure exercised by friends of the debtor. I have witnessed several instances where men were competing with one another for this business. I understand that now there is provision for appointment of a Board of Review.

Right Hon. Mr. MEIGHEN: There has been always.

Hon. Mr. BELAND: This Board of Review has been appointed for every constituency or judicial district?

Right Hon. Mr. MEIGHEN: A board has been appointed for each province.

Hon. Mr. BELAND: I ask my right honourable friend, how is it possible for such a board to be available to our farmers? A lawyer has no difficulty in attending court. But what about a farmer trying to collect $1,000 or $2,000 from his neighbour who is unwilling to pay? It is difficult for him to attend the court, and his attendance involves considerable expense. A Board of Review is, in a measure, a remedy for a bad situation, but there should be a board in every riding. Even then I do not know whether it would work satisfactorily. I know the law has been praised in many quarters. I am sorry I cannot share the same view.

Quebec is primarily a farming province. We have thirty or thirty-five Superior Court judges who function in as many judicial districts. Why should not those judges be given jurisdiction concurrent with that of the Board of Review? This, to a certain extent, would help to remedy a bad situation. Besides the Superior Court judges we have in the province fourteen stipendiary magistrates —juges salariés. These magistrates should also be given concurrent jurisdiction. I do not see any serious objection to my suggestion. Perhaps my right honourable friend may be able to satisfy me that he is perfectly right in refusing to adopt it. I believe its adoption would certainly lead to a much more satisfactory administration of the Act.

These disconnected remarks I submit in the hope that it may be possible to amend the Act so as to render it less difficult of application to the province of Quebec.

Hon. Mr. BLACK: Honourable senators, I would not for a moment attempt to discuss any legal points relative to the Act itself or to the proposed amendments. I leave the discussion to those honourable members whose knowledge and ability better qualify them for the task. I do want to say, however, that I regret the honourable senator who has just sat down was not able to attend the sessions of the Banking and Commerce Committee when it had the Bill under consideration. Then he might have heard—

Hon. Mr. BELAND: Quite so.

Hon. Mr. BLACK: Then he might have heard the complimentary things said of the manner in which the Act has operated, and he would have had full opportunity to put forward the complaint which he has made here. That complaint might have been answered by the experts of the department as well as by members of the committee.

Hon. Mr. BELAND: I admit it was my fault that I was not present.

Hon. Mr. BLACK: The phase of the situation to which he has referred was not raised before the committee at all. We were given the impression that the Act had been eminently satisfactory, so far as such legislation could be considered satisfactory. Certainly if any statute can be so applied, this Act has been applied in the spirit of the golden rule. I am inclined to think the honourable senator from Lauzon (Hon. Mr. Béland) is perhaps ascribing to the Act many results that flow from the depression. The fact that the farmer receives such inadequate prices for his produce makes it very difficult for him to pay either his doctor or his lawyer, or in fact anybody else. I do not think the working out of the Act affects to any great extent the ordinary, everyday payment of bills by the farmer or by residents in a small country town. If it does so work in the province of Quebec, I am satisfied from my own experience and observation that this is not the case in the Maritime Provinces, particularly in the province of New Brunswick. It was intended primarily to assist the farmer who found himself so greatly involved in debt that he was unable to pay. It is true that he could be sold out, but then the community would suffer and nobody would gain. I think that is a fair assumption.

Along this same line it was stated, I do not know whether correctly or not, that in some instances, particularly in the province of Quebec, the fees charged and the costs in forcing the sale of property were extremely heavy. The fees mentioned before the committee were certainly surprising, to me at all events. So it does not seem that the working of the Act, so far as I understand it, has imposed a disability or worked an injury.

During the past ten years the lawyers of Canada have become more and more concentrated in the larger towns and cities. When I was a boy there were a lawyer and a doctor in most of the towns of the Maritime Provinces. To-day there is scarcely a lawyer left in the small towns, or, in fact, in the larger towns; they are all congregated in the cities. The same is true of the doctors. While good people like my honourable friend to my left (Hon. Mr. Bourque) have remained in the smaller places for the love of humanity, the young lawyers and doctors of to-day do not go to the small towns as they used to do. They prefer the larger communities, where the sphere of their activities is wider and their opportunities are greater. The human element is responsible for this change. Furthermore, the fact that the farmers now have no ready cash and in many cases are not deriving sufficient

revenue from their farms to pay any more than the ordinary household expenses is having an influence. But there is nothing in the amendments before us that adversely affects the situation.

May I go back and say that the evidence placed before the committee by the departmental officials and others indicated that the efforts and ability of the boards towards bringing debtor and creditor together had saved many farms and kept on them many people who, if they had had to go through the regular legal process, would probably have been sold out and have left the farm altogether. Several instances were given of farms which had been saved, and the officials of the department mentioned many cases in which a great deal of good had been done. As a member of that committee I must say that the Act seems to me to have been beneficial.

As to the legal aspect, I am going to leave that entirely to honourable gentlemen who know more about it than I do. Though all the arguments of my honourable friend be sound, there is nothing in the amendments to aggravate the situation.

Hon. Mr. BELAND: What are the amendments?

Hon. Mr. BLACK: They are all explained in the Bill. Sixty days is changed to ninety days. The principal change is in section 3 of the Bill. The general changes are not important in relation to the question raised by the honourable gentleman.

Right Hon. Mr. MEIGHEN: Honourable members, I gather from his attack on the provisions as to legal determination that the honourable gentleman rather misapprehends the construction of the Act. The Act provides for one tribunal, not in each province, but in each district. I do not know how large a district is, but wherever necessary an official referee is appointed, and it is his business to effect an arrangement between a farmer who is hopelessly submerged and his creditors.

Hon. Mr. LACASSE: He is the first judge.

Right Hon. Mr. MEIGHEN: He is not a judge; he is a negotiator.

Hon. Mr. LACASSE: I mean as to the qualification of the farmer to apply under the Act.

Right Hon. Mr. MEIGHEN: Oh, yes. That is necessary in order that a conciliation or arrangement may be effected. Where the referee does not succeed, the case can be taken to the Board of Review, which, in each province, is headed by a high court judge. The honourable senator (Hon. Mr. Béland) says that other high court judges should have concurrent jurisdiction. I am afraid that if they had the Act would not work as well as it does, because you would have a variety of judgments and principles within the same province, and perhaps even within the same district.

The idea behind the Act was—and it appears to be working in accordance with the original hope—that most settlements would be voluntary, and would be made because of the power of the overriding tribunal to impose the settlement, if the parties did not come to it voluntarily, through the intervention of the official referee; and that, after certain decisions had been made by the Board of Review, the lesson taught would have the effect of making easier conciliation before the referee. The referee is informed of cases already heard and is in a position to convince the parties that if their case goes to the Board of Review it will be decided in a certain way. Consequently, so far, at any rate, it has not been found necessary to have more than one Board of Review. The judge is assisted by two other persons, one of whom represents the creditors and the other the debtors.

I know there is a body of opinion which is opposed to these settlements and to statutes which look to the reduction, if not the cancellation, of debts. This feeling is probably stronger in Quebec than anywhere else in Canada, not only as respects farmers, but all other people. I do not lament that such a feeling exists. I only wish it were more prevalent.

I have before me a letter from a prominent legal authority, not a practising lawyer, but an academic dignitary, from which I will quote. I hope that my French may be understood. It says:

(Translation): From the earliest times (I would refer you for confirmation to the following sources: Roman law, Germanic custom, canon law, royal ordinances), our civil laws have been based on the sanctity of contracts, on the honour due to the given word. Under the rule of these two new laws, contracts, the only object of which is to bind, will do so no longer; promises freely given need not be kept. The law, according to its character, had charged the courts with the duty of ratifying agreements; these two new laws suppress ratification.

Well, it is logical, and is thus typical of the French mind, but is it practical? The writer says that contracts must be for ever sacred. Yes, so long as the sacredness can be maintained; but it cannot be maintained where overwhelming obligations are set off against very limited assets.

Hon. Mr. BELAND: A l'impossible nul n'est tenu. (No one can be held bound to do what is impossible.)

Right Hon. Mr. MEIGHEN: That is exactly what I am trying to say in English. The principle which is so ably stated in this letter, and which seems to be subscribed to by the honourable gentleman (Hon. Mr. Béland), is a challenge to the whole law of bankruptcy. It is a challenge to a principle of law that has been in our federal statutes, and in the statutes of his own province, for a long period of years. Why is it going to be ruinous to apply that principle in the case of the farmers and give them a chance to get from under the mass of debris that keeps them down and to breathe the free air once more? It gives them a new life and exhilaration, a chance to see something ahead. Otherwise they have to go down and out and let others take their places.

Such is the principle of this legislation, and I am pretty certain that it will not work to the disadvantage of the doctor. The country doctor, as a creditor, is the last to get his money.

Hon. Mr. LACASSE: He comes even after the undertaker.

Right Hon. Mr. MEIGHEN: Yes, even after the undertaker. While, under this law, he may have to take a reduction, he at least will stand up with the creditors and receive an equal portion with others who are in a similar position. It will not drive the doctors out of the country towns; it will enable them to convert what very often are worthless accounts into actual cash.

Hon. Mr. BELAND: Are the members of the Board of Review in each province remunerated?

Right Hon. Mr. MEIGHEN: Yes. I am not so sure as to the judge, but I presume he is.

Hon. Mr. DANDURAND: No. He receives his travelling expenses.

Right Hon. Mr. MEIGHEN: Yes, he gets his travelling expenses. His time is virtually devoted to this work. The official referees get $150 a month, except in Quebec and one or two other provinces.

Hon. Sir ALLEN AYLESWORTH: Honourable members, I should like to say a word about the probable effect of the adoption of the first clause of the recommendations of the committee. That is the clause with regard to the preservation of the creditor's security. I suppose the policy of the whole legislation is to afford relief to the farmer who finds himself not able to pay his debts in full, and the question to my mind is whether or no the adoption of the proposed additional clause would be of any help to the unfortunate farmer who finds himself in that position.

Suppose the clause proposed is not inserted in the Bill, and we have the creditor and the surety left in the position in which they now stand under the law. I know nothing, of course, about the provisions of the Civil Code in Quebec, but speaking of the general law of the English-speaking provinces with regard to the liability of the surety to the creditor, I should think the position was simply this. If the creditor voluntarily enters into any agreement with the debtor to lessen the amount of the debt, or even an agreement to give the debtor further time for payment, and the surety is not a party to that agreement, then the surety is discharged either of the whole of his liability to the creditor or of that portion of it which the creditor has voluntarily agreed to remit. Well, as long as the law stands in that position we may assume that the creditor will be opposed to any great reduction in the amount of the debt.

But if you change the law, as this proposal recommends, and if you provide that notwithstanding such an agreement the creditor shall still have his full rights for the full amount against the surety, do you not at once make the surety the opponent of the proposal? You make it easier for the farmer to secure the agreement of the creditor to reduce the amount, but you at once will have a new opponent. The surety will surely say: "I am not willing to be made to pay, whether or no, the amount by which the creditor is willing to reduce his debt. If you are proposing to release the original debtor to a certain extent, and to claim the full amount from me, then I will object to the whole proceeding." If that position arises, I should feel afraid that more impediments are going to be thrown in the way of the farmer securing an agreement from his creditors for a reduction of the debt. The surety very probably will be a member of the debtor's immediate family, a brother or a cousin, or, at any rate, some neighbour and friend, and if this amendment is adopted you are going to convert the friendly surety into a hostile opponent of any compromise.

If it is thought that the amendment would facilitate the farmer in procuring a workable arrangement for his debts, then there is just one other consideration that I should like to point out to the House. If the surety is to remain liable to the creditor for the full

amount of his contract to pay, then, as soon as he pays, he himself becomes a creditor of the original debtor. He has a right to recover from the debtor the full amount which he has paid. Surely if this amendment is adopted provision ought to be made that the surety who pays should not be in any way deprived of his present legal rights.

Right Hon. Mr. MEIGHEN: I asked the honourable senator from North York (Hon. Sir Allen Aylesworth) to give the House the benefit of his views on this phase of the law, and especially on the first amendment which was made in committee, and I am very grateful to him for his statement. It is true, no doubt, that the preservation of the creditor's right against the surety brings the surety into the picture before the official referee and the Board of Review. He in fact becomes a creditor, that is, if his suretyship is dependable, if he is a good and responsible person. Under the law it is necessary to notify him of any proceedings; so he goes and looks after his own rights. Now, even though the debt is reduced, because of inability of the debtor to pay, it surely cannot be argued that the creditor should get no benefit at all from his surety. What would be the good of having any surety at all if you could collect only to the extent of the debtor's capacity to pay? If this amendment is not adopted the result will be that all who have taken sureties will be stripped of their extra security. I know that the House would not take such a step, realizing the full effect of it.

The honourable senator from North York says that the bringing in of the surety will make a settlement more difficult—that the surety himself will probably be an opponent of the settlement proposed. Of course he will be an opponent unless he is satisfied that the amount agreed upon is all the debtor can pay. It will probably be necessary to make the best settlement possible in the face of his position.

The honourable senator's last suggestion is to preserve the present rights of the surety against the debtor. Under the law, entirely aside from the Farmers' Creditors Arrangement Act, a surety who pays the full amount can come back on the debtor if he fails to pay. The surety becomes a creditor, as the honourable senator has pointed out. But he can come back on the debtor only to the extent fixed by the Board of Review as the amount of what the debtor can pay. I cannot see how it would be possible to preserve the right to the full amount, because that would mean the debtor would have to pay the same sum as if there had been no settlement. The effect of the law is that if the surety has been called upon to pay he can seek compensation from the debtor, but only to the amount to which the debt has been limited by the Board of Review on the basis of the debtor's capacity to discharge his obligation.

Hon. Mr. LACASSE: May I ask a few questions? This legislation affects all who are connected with the rural communities, and particularly country practitioners. Perhaps I should have informed myself on the point I have in mind, but we usually get such ready answers from the right honourable leader of the House that we are inclined to abuse the privilege of asking questions. The Board of Review is composed of a judge and two other members. Are these other members permanent appointees or selected for each case?

Right Hon. Mr. MEIGHEN: They are permanent.

Hon. Mr. LACASSE: What pay do they draw?

Right Hon. Mr. MEIGHEN: I cannot answer that off-hand.

Hon. Mr. LACASSE: Are they appointed by the Government or by the interested parties?

Right Hon. Mr. MEIGHEN: I think they are appointed by the Governor in Council, after consultation. One is supposed to have had such experience that he understands the creditor's position, and the other that he understands the debtors' position. That is the idea, and I think it has been pretty well lived up to.

Right Hon. Mr. GRAHAM: Are they not paid only while they are employed?

Right Hon. Mr. MEIGHEN: They are paid only while they are employed. And in view of the very moderate scale of remuneration of official receivers, I think the honourable gentleman can depend upon it that members of the Board are not paid too highly.

Hon. Mr. COPP: Are the salaries set by the Governor in Council?

Right Hon. Mr. MEIGHEN: I am inclined to think they are set out in the original Act.

Hon. Mr. LACASSE: Can the right honourable gentleman give us a brief outline of the general powers of the Board of Review? Is the Board absolutely free to deal as it pleases, in a general way, with the cases presented to it?

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. LACASSE: Or is it bound by some special regulations? In recent years I have often been paid by bartering drugs and services for products of the farm, carrots, potatoes and so on. What I wish to know is whether the Board of Review has a free hand in leaving it to the farmer to pay his debt as he pleases and as he can.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. LACASSE: I should like to know whether a farmer is just as free as to the way he may pay his debts after a settlement as he was before he brought himself within the provisions of the Act.

Right Hon. Mr. MEIGHEN: The powers of the Board of Review are plenary and final. It can give effect to any arrangement which it thinks is fair and just all around. That then becomes a judgment of the court, is filed in the court, and represents the relationship between the debtor and his creditors. I will try to answer the honourable senator's last question. Suppose a doctor's bill against a farmer was $100 and it is reduced to $90. That is what the farmer must pay, and probably within a certain time, for a time can be fixed.

Hon. Mr. LACASSE: I understand the rule applied so far has been that assets and liabilities are cut in half.

Right Hon. Mr. MEIGHEN: Oh, no, there is no such rule at all. There could not possibly be. The whole sense of the Act is that the farthest extent to which the debtor can go in meeting his obligations is the limit that is fixed. In the hypothetical case referred to, after the doctor's bill has been fixed at a certain sum, to be paid within a specified time, the farmer can make payment in any way agreeable to the doctor. That is, he can pay it in turnips or chickens, or anything except moonshine whiskey.

Hon. Mr. DANDURAND: I should like to ask a question of my right honourable friend. Let us say the official receiver convenes the creditors in a case and examines into the assets of the debtor. He finds out that the debtor can pay only 75 per cent of his liabilities. Then an effort is made to establish equality among all the creditors, that is, have all accept a reduction of 25 per cent. My impression is that it is part of the work of the official receiver to bring about that equality. Now, if one of the creditors holds a note which has been endorsed, how can he agree to accept that reduction of 25 per cent as against the debtor and yet retain his full right against the endorser, who becomes in fact a creditor? All the other creditors accept the reduction, but the holder of the note is by this amendment allowed to retain his right to collect in full from the endorser. The endorser, who signed his name merely to enable the maker of the note to borrow, is obliged to pay in full. It seems to me there is a difference of equality as among the creditors, of whom the endorser is one.

Right Hon. Mr. MEIGHEN: I am sorry that I have not succeeded in making clear my own view as to the equity of this amendment. Let us say that A borrows from C and the lender is not ready to take A's security; so the endorsement of B is procured. The effect of the contract is that A must pay to the limit of his ability, for he is the principal debtor. If he pays the whole debt, B is discharged. But if he pays only part and B pays the rest, then B holds the amount that he has paid against A. The principle of this law is that if a man is judicially found to be so overwhelmed with debt that he cannot discharge all his obligations, a finding is made as to what he can pay and there is an apportionment of the debt reduction among the different creditors, including classes of creditors. Suppose that A, who owes $100 to C, guaranteed by B, can pay only $60, and that this amount is fixed by the Board. What should be the legal result? Should C lose entirely the benefit of B's endorsement? C would say, "Why, I got the endorsement so that in the event that A could not pay I might protect myself by being able to depend upon B."

Hon. Mr. HUGHES: And B is in no worse position.

Right Hon. Mr. MEIGHEN: No; B is in the position he undertook to be in.

Hon. Mr. HUGHES: B is in a better position.

Right Hon. Mr. MEIGHEN: I do not think he is in a better position, but he is in just the position he undertook to be in. Consequently no injustice is done to B. But to strike B out of the picture just because you reduce the debt of A on the score of inability to pay—if the debt were reduced on any other score the case would be different—and say to C, "You have now to do without B altogether," would be a gross and palpable wrong. Why, it would destroy the contract without any relation at all to capacity to pay. B is quite able to pay, and he undertook to do so in the event of A not being able to pay. So the equities are preserved by the retention of the right against the

guarantor. They are completely disturbed, indeed they are thrown into collapse, if you let B off altogether.

Hon. Mr. DANDURAND: Yes, but you are relieving the debtor from paying a certain proportion of his debt.

Right Hon. Mr. MEIGHEN: I know;—because he cannot pay it.

Hon. Mr. DANDURAND: You are imposing the amount of that reduction upon the endorser, who at least should retain his right of collecting 100 per cent against the debtor.

Right Hon. Mr. MEIGHEN: You are not imposing anything on the endorser, but he has always had on him the responsibility of paying off the debtor's account, and he still has that responsibility. Now we will suppose B pays. The honourable senator says, then B should be able to come on the debtor for the whole amount. If so, there is no compromise at all. The courts have already decided the debtor cannot pay the whole amount, but can pay only 60 cents on the dollar. Consequently B becomes the creditor instead of C, that is all, and he has to take the compromise determined by the court. The compromise, remember, is based on the ability to pay. I tried to emphasize at the outset that ability to pay is the essence of the whole measure. If for any other reason A was allowed to escape, of course B would escape too, because if you imposed any other responsibility on B you would be imposing on him something he never contracted for. But he had already contracted to pay what A could not pay, and he is in that position still.

Hon. Mr. McMEANS: Even if these amendments were not passed, the law as it stands would have absolutely the same effect.

Right Hon. Mr. MEIGHEN: The law as it always did stand. There is just a question as to whether the new law does not relieve the guarantor. We want to make it clear that it does not.

Right Hon. Mr. GRAHAM: In case of bankruptcy what is the position of the guarantor?

Right Hon. Mr. MEIGHEN: That is a very good point. He would be in just the same position.

Hon. Mr. BLACK moved concurrence in the report.

The motion was agreed to.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

Hon. Mr. SHARPE moved concurrence in the second report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. DANDURAND: What is the report? I have not seen it yet.

Hon. Mr. MURDOCK: It will be found at page 122 of the Minutes of the Proceedings of the Senate. I will read the report:

The Standing Committee on Internal Economy and Contingent Accounts beg leave to make their second report, as follows:

The Committee recommend:

1. That the rate of pay of Walter Sotherton, Senate Carpenter, be increased from $5.25 to $5.50 per day, from the 1st April, 1935.

2. That the rate of pay of Léo Godbout, Door-keeper and Night Watchman, be continued during the recess of Parliament at the sessional rate of $4.50 per day.

3. That the Senators' sessional stenographic staff be increased by the addition of one bilingual stenographer.

All which is respectfully submitted.

The motion was agreed to.

LIMITATION OF HOURS OF WORK BILL

MOTION FOR SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 21, an Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.

Hon. Mr. DANDURAND: As we are nearing 6 o'clock, could not this Order be better dealt with to-morrow? It should not take more than an hour.

Right Hon. Mr. MEIGHEN: I think it could. There will be no need of a constitutional debate on the Bill; it has taken place once already.

Hon. Mr. DANDURAND: I may have to invade that field again, but I shall not be very long.

Right Hon. Mr. GRAHAM: Will this Bill go to a committee?

Right Hon. Mr. MEIGHEN: Let me say this—it will avoid my making a speech tomorrow and the honourable senator from De Lorimier (Hon. Mr. Dandurand) will have right of way. This Bill is virtually a verbatim

reproduction of the draft convention of the Labour Office of the League of Nations in respect of shortening hours of labour. It defines "industrial undertaking" just as it is defined in the convention. It then sets out the hours of labour applicable to the day or the week as set out in the convention. It provides for distinction as to industry, commerce and agriculture by the authority defined in the convention. It provides also for penalties as there defined. In short, it carries out with an exactitude that is indeed astonishing—for one would hardly think it practicable to have such exactitude—the provisions of the convention. This is what we really undertook to do when we adopted the resolution which was debated at some length in this House about six weeks ago.

Hon. Mr. GORDON: The Bill will be referred to a committee?

Right Hon. Mr. MEIGHEN: I propose to have it go before a committee as in the case of the Insurance Bill, and there will be opportunity for anyone to appear who desires to be heard. I understand that neither in relation to this Bill nor the Insurance Bill was opportunity given to those concerned to be heard before a committee of the other House. Therefore it must be done by a committee of this House.

Hon. Mr. DANDURAND: Has any date been fixed for hearing representations at the committee stage?

Right Hon. Mr. MEIGHEN: No. I intimated this morning that we should be able to hear representations to-morrow afternoon on the Insurance Bill, but I did that without the authority of the committee. I gave no definite statement.

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

ECONOMIC COUNCIL OF CANADA BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 39, an Act to establish an Economic Council.

He said: This Bill provides for establishment by the Prime Minister of an Economic Council consisting of not more than fifteen members, seven from those members of the Civil Service who have had most to do with economic matters, five from social and economic organizations, and three from what might be called academic institutions. This Economic Council, or committees thereof, are to study matters of a peculiarly economic nature that require analysis of statistics for their proper determination, and to make reports thereon for the better guidance of the Government in its legislative course. The Prime Minister is empowered to refer subjects to the Council. Its secretary is to be the Dominion Statistician, Dr. Coats. I understand he is mainly responsible for the preparation of the Bill. I do not wish to make any pronouncement as to how practically valuable the measure is likely to be, but I certainly feel that if the Dominion Statistician has been the presiding genius in its preparation it probably represents the best that can be made of the idea, and inasmuch as he strongly supports the idea, I am disposed to have considerable respect for it myself.

Hon. Mr. DANDURAND: I have read the Bill. The Prime Minister has already under his command the officials who would form part of the proposed committee, and, as my right honourable friend knows, quite often departmental questions are referred to the experts of various departments. So that this is but enlarging to a certain extent—

Right Hon. Mr. MEIGHEN: That is so.

Hon. Mr. DANDURAND: —the practice which has obtained for a number of years. The value of the outside representation on the Council will be worth just what the men are worth themselves. If a wise selection is made of men well qualified to give advice in the field of economics, for they will be consulted mostly on economic questions, some good may come of the proposal. I have no objection to the Bill.

Hon. Mr. HUGHES: Will Parliament have access to the reports of the Council?

Right Hon. Mr. MEIGHEN: Oh, yes, they are to be laid before Parliament each session.

Hon. Mr. HUGHES: At the beginning or the end of the session?

Right Hon. Mr. MEIGHEN: I think at the beginning. There is to be no pay for the members of the Council. I know the honourable senator from Essex (Hon. Mr. Lacasse) will be glad to hear that.

Hon. Mr. LACASSE: I think my right honourable friend is a mind-reader. When the Bill was introduced in the other House I thought the Prime Minister simply wanted the Parliament of Canada to give him the right to pay certain persons for advising him on economic matters. I find there is nothing to be paid to the members of the proposed

Economic Council except for travelling expenses, and also, I suppose, for any additional clerical help that may be required.

Right Hon. Mr. MEIGHEN: Actual disbursements.

Hon. Mr. LACASSE: So it is immaterial whether the Economic Council is composed of thirteen or a hundred members. I do not think it would be advisable on the part of this House to prevent the Prime Minister from seeking advice in any quarter where he may think it best to secure it, particularly when we are aware that he has overburdened himself by undertaking too many onerous duties. I believe that an institution of this kind will help the country, and, provided there are no specific additional expenditures in the way of big salaries, I do not see any reason for opposing it.

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

RELIEF BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 41, an Act respecting Relief Measures.

He said: I do not know whether I should say that this is the usual Relief Bill, but so far as I can recall it is quite usual. It provides authority to continue the establishments of the National Defence and the Interior departments for the purpose of taking care of those requiring relief. It also provides what you might call a blanket authority to extend relief activities where considered desirable, to enter into arrangements for work where desirable, and to complete the work undertaken in the last Relief Bill, though the year has expired. It is stipulated that the new provisions are to remain in effect for one year.

It would be too much to suggest that the Bill be given its second and third readings now, but if the Bill is given the second reading I will undertake to move the House into Committee of the Whole, or, if desired, to move that the Bill be referred to a standing committee at to-morrow's session.

Hon. RAOUL DANDURAND: I think the Senate would be glad to accede to the proposal of the right honourable gentleman that this Bill be sent to a standing committee, because we have not received all the information with regard to it that we should have had. I have tried my level best to obtain information about some of the matters referred to in the Bill, but have not been able to secure it.

Clause 2 of the Bill says:

> Notwithstanding the provisions of any statute or law the Governor in Council may, upon such terms and conditions as may be agreed upon, enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province and to Canadian Co-operative Wheat Producers Limited by way of loan, advance, guarantee or otherwise; and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements and generally do all such acts and things as the Governor in Council may deem necessary and expedient in the public interest.

I need only read the budget speech to secure considerable information as to advances to the provinces, but I should like very much to know what assistance has been given to the Canadian Co-operative Wheat Producers Limited, in what form that assistance has been given, what quantity of wheat has been purchased, what operations have been carried on since the Co-operative Wheat Producers Limited have been functioning, what purchasing and selling it has done, what it has on hand just now in the way of wheat, what advances have been made, and what we owe the banks. None of this information has reached this House. I do not know whether it has reached the House of Commons. If it has, surely there would have been some echo of it here.

I mention these things because there is an impression that we may be responsible for $50,000,000 or $100,000,000, and no clear data have reached the public. It would seem that this matter is of sufficient consequence to justify Parliament in desiring to have a clear understanding as to the obligations we have assumed under the Canadian Co-operative Wheat Producers Limited. I know generally that purchases have been made to prevent the glutting of the market, but I do not know what have been the holdings or the carry-over; neither do I know very much of the policy that governs the action of this body.

Clause 4 reads:

> Without restricting the generality of the terms of the next preceding section hereof and notwithstanding the provisions of any statute or law, the Governor in Council may
>
> (a) Provide for special relief, works and undertakings under control and direction of the Department of National Defence and the Department of the Interior;
>
> (b) Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this Act.

I do not know whether under this clause any large programme of public works is to be carried out, or whether, in addition to this Bill, there will come to us before the

end of the session some scheme of development or of public works throughout the country. The form of the works and undertakings to be carried on under such a scheme would cause considerable discussion. However, if the Bill is to go before a standing committee I may obtain the information I am seeking.

Right Hon. Mr. MEIGHEN: I shall have the Bill go to a standing committee if the honourable senator desires it.

Hon. Mr. DANDURAND: Banking and Commerce?

Right Hon. Mr. MEIGHEN: It would be the Committee on Banking and Commerce. I will undertake to give the committee all the information I have as to how much wheat is held, and the extent of the responsibility. I do not know but that I could go as far as to say that, if the committee so desires, it can get all the information the Deputy Minister of Trade and Commerce has in his possession.

Hon. Mr. DANDURAND: I know that last year a very interesting statement was made before a committee of the other House by Mr. McFarland, who, I think, is the head of this organization. It might be worth while to have him before our committee, if he is available.

Right Hon. Mr. GRAHAM: Both honourable gentlemen seem to have forgotten the visit of the mayors to Ottawa to-morrow.

Hon. Mr. HARMER: To-night.

Right Hon. Mr. GRAHAM: Our committee might be able to get from the mayors a better conception of what the demand is. I have read, with varying degrees of perception, some of the speeches that have been made, and I think it would be a good idea to find out what the municipalities want. My own view is that they want plenty. As a committee we might be able to assist the Government by an expression of opinion, if we heard these gentlemen.

Hon. Mr. DANDURAND: May I be allowed to throw out a suggestion that has occurred to me in connection with the very serious problem of unemployment? In 1917, I think, we decided to levy an income tax, which we called a war measure, to help us in meeting a situation that then existed. It is a direct tax, and the provinces might very well claim that as they are limited in their ability to make imposts the income tax should be left to them. The federal authority has many ways of levying charges. In the budget speech we were told of the large advances that have been made to most of the provinces; so we know the serious situation that faces provincial treasuries. Now, why should we not make a sacrifice by repealing that war-time measure and transferring income taxation to the provinces, at the same time leaving to them the entire obligation of attending to the unemployment problem? If it is said that we cannot do so, on the ground that unemployment is a matter of national importance and therefore is necessarily within federal jurisdiction, as was said of the unemployment insurance measure, then I submit the Dominion Government should assume full responsibility for the whole situation. But if that is not contended, then the burden could be passed on to the provinces, and by way of compensation the power to levy income tax be transferred to them.

Right Hon. Mr. MEIGHEN: Why not hand them the sales tax too?

Hon. Mr. DANDURAND: I refer to the income tax because it is direct taxation.

Right Hon. Mr. MEIGHEN: So is the sales tax.

Hon. Mr. LACASSE: Honourable members, reference has been made to the mayors of Canada meeting in this building to-night—not to-morrow.

Right Hon. Mr. GRAHAM: They meet the Government to-morrow.

Hon. Mr. LACASSE: To-night they will be in the Railway Committee room and will be glad to meet members of both Houses. I think it would be well for honourable senators to attend.

Hon. Mr. COPP: What is the time of the meeting?

Hon. Mr. LACASSE: Eight o'clock.

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, March 28, 1935.

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

Prayers and routine proceedings.

INTERNATIONAL LABOUR CONVENTION

MINIMUM WAGES

Right Hon. ARTHUR MEIGHEN moved:

That it is expedient that Parliament do approve of the convention concerning the creation of minimum wage fixing machinery adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Eleventh Session in Geneva on the 16th day of June, 1928, reading as follows:

Draft Convention Concerning the Creation of Minimum Wage Fixing Machinery

The General Conference of the International Labour Organization of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Eleventh Session on 30th May, 1928, and

Having decided upon the adoption of certain proposals with regard to minimum wage fixing machinery, which is the first item on the agenda of the session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this sixteenth day of June of the year one thousand nine hundred and twenty-eight, the following draft convention for ratification by the Members of the International Labour Organization, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding parts of the other treaties of peace:

Article 1

Each Member of the International Labour Organization which ratifies this convention undertakes to create or maintain machinery whereby minimum rates of wages can be fixed for workers employed in certain of the trades or parts of trades (and in particular in home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

For the purpose of this convention the term "trades" includes manufacture and commerce.

Article 2

Each Member which ratifies this convention shall be free to decide, after consultation with the organizations, if any, of workers and employers in the trade or part of trade concerned, in which trades or parts of trades, and in particular in which home working trades or parts of such trades, the minimum wage fixing machinery referred to in Article 1 shall be applied.

Article 3

Each Member which ratifies this convention shall be free to decide the nature and form of the minimum wage fixing machinery, and the methods to be followed in its operation:

Provided that,

(1) Before the machinery is applied in a trade or part of trade, representatives of the employers and workers concerned, including representatives of their respective organizations, if any, shall be consulted as well as any other persons, being specially qualified for the purpose by their trade or functions, whom the competent authority deems it expedient to consult;

(2) The employers and workers concerned shall be associated in the operation of the machinery, in such manner and to such extent, but in any case in equal numbers and on equal terms, as may be determined by national laws or regulations;

(3) Minimum rates of wages which have been fixed shall be binding on the employers and workers concerned so as not to be subject to abatement by them by individual agreement, nor, except with the general or particular authorization of the competent authority, by collective agreement.

Article 4

Each Member which ratifies this convention shall take the necessary measures, by way of a system of supervision and sanctions, to ensure that the employers and workers concerned are informed of the minimum rates of wages in force and that wages are not paid at less than these rates in cases where they are applicable.

A worker to whom the minimum rates are applicable and who has been paid wages at less than these rates shall be entitled to recover, by judicial or other legalized proceedings, the amount by which he has been underpaid, subject to such limitation of time as may be determined by national laws or regulations.

Article 5

Each Member which ratifies this convention shall communicate annually to the International Labour Office a general statement giving a list of the trades or parts of trades in which the minimum wage fixing machinery has been applied, indicating the methods as well as the results of the application of the machinery and in summary form, the approximate numbers of workers covered, the minimum rates of wages fixed, and the more important of the other conditions, if any, established relevant to the minimum rates.

Article 6

The formal ratifications of this convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary-General of the League of Nations for registration.

Article 7

This convention shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

It shall come into force twelve months after the date on which the ratifications of two Members of the International Labour Organization have been registered with the Secretary-General.

Thereafter, this convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 8

As soon as the ratifications of two Members of the International Labour Organization have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organization.

Article 9

A Member which has ratified this convention may denounce it after the expiration of ten years from the date on which the convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Each Member which has ratified this convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of five years and, thereafter, may denounce this convention at the expiration of each period of five years under the terms provided for in this Article.

Article 10

At least once in ten years, the Governing Body of the International Labour Office shall present to the General Conference a report of the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision or modification.

Article 11

The French and English texts of this convention shall both be authentic.

And that this House do approve of the same.

Hon. Mr. DANDURAND: I would suggest to the right honourable gentleman that the debate on this motion be adjourned until Tuesday next. I have not yet had time to peruse the motion.

Right Hon. Mr. MEIGHEN: I am prepared to consent to the adjournment of the debate, but perhaps I had better unbosom myself now of all I know about it.

This is a motion for ratification of a draft convention made analogously to the draft convention respecting hours of labour, the resolution in respect of which was debated in this House about six weeks ago.

The draft convention covered by this resolution has to do with minimum standards of wages applicable to trades, the trades comprising manufactures and commerce. The convention was arrived at by delegates to the International Labour Organization at Geneva under the auspices of the League of Nations in June of 1928.

I hope there is no one in this House under the impression which seems to have in some way paralysed the usually intelligent minds of certain other citizens of Canada. I refer to the impression that delegates to meetings of the International Labour Organization, or of the League of Nations itself, can bind this Dominion or to any extent prejudge the will of the Parliament of Canada. I have read somewhere the argument that if what has been said here on behalf of the Government is correct, then whoever may be delegated to represent Canada at conferences of the International Labour Organization—be it Tom Moore or Paddy Draper, as the names were stated—can fetter this country, can arrogate to himself the right of making legislation, and enter into treaties for us without reference to the will of this or any other Parliament. It was even suggested that representatives of other countries, being in the majority at these labour conferences, can rivet treaties upon us.

Such a preposterous notion would, I think, find access only with great difficulty to any mind. The draft conventions arrived at by these conferences are necessarily submited in every case to the competent parliamentary authority of the respective countries there represented, and have no force or effect whatever until ratified at the instance of such authority. This resolution is now before us as a branch of the Canadian Parliament, in order that one draft convention may be ratified. If the resolution is passed, ratification follows by executive act.

I am not now going to discuss what has been pretty thoroughly debated twice already in this House, the question whether or not we are the competent parliamentary authority in Canada. The reasons adduced six weeks ago, and two days ago in respect of the eight-hour-day resolution and the Employment and Social Insurance Bill, are applicable in this case. All that behooves me now is to outline the particulars of the convention, which the resolution seeks to have approved, with respect to minimum wages.

It provides that every one of the participating countries shall establish machinery, which of course means some competent organization, with power to bring about minimum standards throughout that country. The machinery shall be of such character as seems best in the judgment of the respective countries. Every individual country is left free to draw the line separating those trades or parts of trades—remember that trades include manufactures and commerce—with respect to which minimum wages are to be fixed, from those in which it may not be necessary to fix minimum wages; but the convention specifically states it is important that minimum wages should be fixed with respect to the small trades, the individual working units, that is to say such small units as have not pertaining to them labour organizations competent of themselves to regulate fairly the rates of wages. In a word, the main intention apparently is to cover that sphere of wages in trades which is not

now in any way safeguarded or superintended by labour organizations.

The convention further provides that one year after the date upon which two participating countries file their ratifications the provisions take effect as respects those countries; and as respects any other country, within a year after it files its ratification.

Each member is free to decide the nature and form of the minimum wage fixing machinery, as I pointed out before, and as well the methods to be followed in its operation, that is to say the plan which the organization will work out. It is provided, however, that there must be inspection with a view to making certain that employers are living up to regulations; also that there must be such publicity as will enable the employees to know what are their rights in respect to minimum wages. It is provided further that before standards are set up consultation shall be had by the organization with organized labour, or such branch of it as is nearest akin to the special trade to be regulated, and also with organizations of employers who are engaged in the trade, or, if there is no such organization, with the employers themselves.

There is as well a stipulation that the character of the trades included in the minimum wage legislation of each country shall be reported to the International Labour Organization, so that it may know just how far it has been deemed advisable to apply the minimum in such country. Further, every country legislating in pursuance of a ratified convention on the subject shall report full details of the working of the legislation, not only as to the scope of its operation, but also as to results achieved, difficulties encountered, and the like.

This convention was probably more difficult to formulate than any other I know of. I have not read any which is more elastic in its provisions, and I feel certain this elasticity is the result of the conflicting positions of the various nations and the impossibility of meeting the full requirements of any.

The convention, if ratified, lasts for ten years. It may then be denounced on one year's notice. If it is not denounced at the expiration of ten years it continues for five years longer, and so on for periods of five years.

The French and English texts of the convention shall both be regarded as authentic.

Our legislation to ratify this convention will provide that wherever by virtue of provincial enactments there are minimum wage laws effecting a minimum wage higher than that fixed by the machinery established by the federal law, the higher minimum wage so fixed by provincial law shall prevail.

Hon. Mr. LEMIEUX: I understand that in certain trades regulations have already been accepted by both employers and employees and adopted, and are working satisfactorily. Does this proposed legislation impose new duties on those trades?

Right Hon. Mr. MEIGHEN: It would not necessarily do so, for the reason that the board, or whatever body may be established, can draw the line between those trades in which the law and regulations operate and those in which they do not. It is free to do so by virtue of the original convention. Consequently I should think where minimum wages have been agreed upon and are pretty thoroughly controlled by agreements between employers and employees there would not be much need of this measure. In fact, it is very clear from the convention itself that where it is intended to have effect is in those areas in which there is no protection by labour organizations.

Hon. RAOUL DANDURAND: Honourable senators, my request for the adjournment of the debate is fully justified by the opinion expressed by my right honourable friend in his opening remarks. He said there was an erroneous impression abroad, to which expression had been given elsewhere, that representatives of labour and of employers attending the labour conferences at Geneva —and he mentioned two gentlemen whom I have had the pleasure of meeting on the other side—could be a law unto themselves and bind Canada to discharge obligations entered into with a number of other nations of the world.

My right honourable friend has not done justice to the problem. It is being affirmed that a draft convention adopted by a labour conference and concurred in by representatives of Canadian employers and employees operates to empower this Parliament to appropriate jurisdiction that belongs to the provinces, and thereby lay the basis for altering our Constitution. This is the important point. According to the theory of my right honourable friend's Government, a draft convention passed at a labour conference gives jurisdiction to the Federal Parliament to invade pro tanto the jurisdiction of the provinces.

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

EASTER ADJOURNMENT

Before the Orders of the Day:

Hon. Mr. LEMIEUX: Before the Orders of the Day are called, I desire to ask the right honourable leader of the House whether any decision has yet been reached with regard to the Easter adjournment?

Right Hon. Mr. MEIGHEN: No decision has been reached, so far as I am aware. I hope to be able to make a definite statement on Tuesday.

FARMERS' CREDITORS ARRANGEMENT BILL

THIRD READING

Bill 10, an Act to amend the Farmers' Creditors Arrangement Act, 1934.—Right Hon. Mr. Meighen.

ECONOMIC COUNCIL OF CANADA BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 39, an Act to establish an Economic Council.

Hon. Mr. CALDER: Honourable senators, I understand there are two slight amendments to be made to the Bill. I therefore move:

That this Bill be not now read a third time, but that it be amended as follows:

Page 1, line 11, for "Prime Minister" substitute "member of the King's Privy Council for Canada who holds the recognized position of First Minister."

Page 1, line 15, leave out the word "Prime."

Right Hon. Mr. MEIGHEN: The words "Prime Minister" are not used in statutes; in fact they have no meaning except in the popular mind. The statute creating the Department of External Affairs describes the Prime Minister in the language of the amendment, and it is that department of which the Prime Minister is the head. The second amendment merely conforms to the first. "Minister" is defined in the Bill as the Prime Minister. Consequently when the term "Prime Minister" is used subsequently it should be just the word "Minister."

Right Hon. Mr. GRAHAM: I suppose an acting Prime Minister would be covered by that amendment.

Right Hon. Mr. MEIGHEN: Yes, under the Interpretation Act.

Hon. Mr. DANDURAND: The expression "Prime Minister" had no place in the machinery of government in England until quite recently. I noticed lately that in olden times in France the description "le Premier Ministre" was given to the first councillor of the King. It crossed the Channel and was adopted as the title of the first councillor of His Britannic Majesty. The expression, after being lost sight of in France for one hundred years, was borrowed from the British parliamentary system, and now it is current in both countries.

The amendment of Hon. Mr. Calder was agreed to.

The motion of Right Hon. Mr. Meighen for the third reading of the Bill was agreed to, and the Bill was read the third time, and passed.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE AMENDMENT BILL

SECOND READING POSTPONED

On the Order:

Second reading of Bill G, an Act to amend the Combines Investigation Act and the Criminal Code.—Hon. Mr. Casgrain.

Hon. Mr. CASGRAIN: I do not intend to proceed with this Bill to-day. When the Senate meets again next Tuesday I expect to have further legal advice, which I consider will be as good legal advice as can be obtained in this Canada of ours. If the advice is that the Bill is in the public interest, I shall then proceed with it; if not, I shall ask that it be dropped.

I move, therefore, that this Order be discharged and be placed on the Order Paper for Tuesday next.

The Order was discharged.

LIMITATION OF HOURS OF WORK BILL

MOTION FOR SECOND READING

The Senate resumed from yesterday consideration of the motion for the second reading of Bill 21, an Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.

Hon. RAOUL DANDURAND: Honourable members of the Senate, I intend to discuss the competence of the Parliament of Canada to enact this proposed legislation under section 132 of the Constitution.

Before doing so, I desire to bring to the knowledge of honourable members an Order in Council, No. 2325, passed by the present

Government in October, 1932, long after the decision of the Privy Council in the Radio and Aviation cases; one year and eight months afterwards. My right honourable friend said that he hoped to be able to meet me in this Chamber after the Privy Council had expressed an opinion on the validity of this social legislation, and in order that we may be judged by those who come after us, I desire to complete the record by citing the Order in Council:

The Committee of the Privy Council have had before them a report, dated 13th October, 1932, from the Minister of Justice, submitting that he has had under consideration, upon reference from the Department of Labour, the authentic text of the draft convention limiting hours of work in coal mines, adopted by the International Labour Conference at its fifteenth session (28th May-18th June, 1931), with a view to determining whether and to what extent the subject-matter of this draft convention lies within the competence of Parliament or of the provincial legislatures, in order that the said draft convention may be brought by the Dominion Government, in discharge of its obligation under article 405 of the Treaty of Versailles and the corresponding article of the other treaties of peace, before the authority or authorities within whose competence the matter lies, for legislative or other action.

The Minister—

That is the Minister of Justice.

—observes that the draft convention embodies various provisions with regard to the regulation of hours of work of workers employed in coal mines, that is to say, in any mine from which hard coal or lignite, or principally hard coal or lignite together with other minerals, is extracted. It contemplates that such provisions shall be given compulsory effect against the management of every mine to which such provisions are to be respectively made applicable. Ratification of the convention would consequently involve an obligation on the part of each government concerned to give effect to the provisions of the convention by legislative action in so far as existing laws may not afford adequate authority for that purpose.

The provisions of the convention which require legislative action to make them effective clearly involve legislation which, in its subject-matter, would be directly concerned with classes of subjects assigned exclusively to the provincial legislatures by section 92 of the British North America Act, 1867: in particular "local work and undertakings" [section 92 (10)]; "property and civil rights in the province" [section 92 (13)] and perhaps also "generally all matters of a merely local or private nature in the province" [section 92 (16)]. While legislation upon the subject-matter of the provisions of the convention might perhaps be enacted by the Parliament of Canada in an ancillary or incidental way in relation to any coal mine which has been declared to be a work for the general advantage of Canada [section 91 and section 92 (10) (c), British North America Act, 1867; Union Colliery Company of British Columbia versus Bryden (1899), A.C. 580, 585], the Minister of Justice is of opinion that legislative jurisdiction touching that subject-matter is, as regards those parts of Canada included within the several provinces, primarily vested in the provincial legislatures and that it is within the competence of the several provincial governments by appropriate legislative action to give effect to the proposals of the convention generally and comprehensively, except for those parts of Canada which are not included within the limits of any province. As to the latter, exclusive legislative jurisdiction in relation to the subject-matter of the convention is vested in the Parliament of Canada. The Minister observes that the decision of the Supreme Court of Canada in the matter of legislative jurisdiction over hours of labour (1925, S.C.R. 505) affords strong support for the opinion above expressed.

The Committee—

That is the whole Government.

—concur in the foregoing and advise that a copy hereof, together with an authenticated copy of the draft convention, be transmitted to the lieutenant-governors of the respective provinces for the consideration of their respective governments with a view to the enactment of legislation or such other action upon the subject-matter of the draft convention, within the provincial sphere of jurisdiction, as each government may be advised to take.

All of which is respectfully submitted for Your Excellency's approval.

E. J. Lemaire,
Clerk of the Privy Council.

I wish only to say that the law of 1932 is, I think, still the law in 1935.

It is true that some weeks ago we voted here for the convention with respect to the eight-hour day or forty-eight-hour week, as affecting in part the federal domain; for it must not be forgotten that that convention could apply in part to the federal jurisdiction as well as to the provincial. Because it could be made so to apply, I had no objection to its adoption. Now there is presented to us a measure, based upon that convention, which to my mind invades the rights of the provinces.

It has been urged that since the British Empire signed the Treaty of Versailles, Canada is obligated under it because section 132 of the British North America Act so provides. I do not share that view. On that point only will I ask this Chamber to bear with me briefly, for I do not intend to traverse the whole field again. I said, and I repeat, that section 132 does not apply with respect to our obligations under the Versailles Treaty, because Great Britain did not sign alone—did not speak for the whole Empire. The Dominions spoke for themselves and signed the treaty. Thus they projected their personalities into it. They did so officially, with the full knowledge and consent of all the other signatory powers. If Great Britain had signed alone, Canada would have been placed under obligation towards those powers, ac-

cording to section 132. What is the consequence arising from our participation in and signing of the treaty? It is that Great Britain did not bind Canada and the other Dominions by its signature. This Parliament alone can bind Canada. The treaty was presented to us for ratification and we could have rejected it, just as the United States did. I contend that, had we rejected it, we should have had no obligations towards the other signatories, the foreign countries, within the meaning of section 132 of our Constitution.

Canada did not take part in the Lausanne Treaty. When we were asked to ratify that treaty of peace between Great Britain and Turkey we refused, and we declared in no uncertain manner, through our Prime Minister, that Canada did not intend to assume any obligations under it. True, the King signed the treaty and Canada naturally recognized that she and all other parts of the Commonwealth were no longer at war with the Turks. The right honourable leader of this House was at that time in the Commons, and I have not had occasion to look up his attitude on this question. At any rate, Canada absolutely refused to accept the obligations that would flow from that treaty.

Hon. Mr. LEMIEUX: What about the Trianon Treaty?

Hon. Mr. DANDURAND: I think we signed the Trianon Treaty. The outside world was slow to understand our international status. We developed constitutionally into a position that had not previously been known in international law. The Statute of Westminster has clarified the matter officially for the world at large.

As I have said, we were at Versailles and signed the treaty, but in order that this country should be bound it was necessary for Parliament to ratify it. I will quote a statement made by the then Prime Minister, Right Hon. Sir Robert Borden, when he presented the treaty for the approval of the House of Commons, on the 2nd of September, 1919. He said:

> Whatever doubt may exist in other cases, it is unquestionable that this treaty should be submitted to Parliament for its consideration and approval before ratification on behalf of Canada takes place. The formal ratification is of course in the name of the Sovereign; but in giving that ratification on behalf of Canada, His Majesty necessarily acts at the instance of his constitutional advisers in this country.

Proceeding to explain our status at Paris when the treaty was being negotiated, he said:

I now come to consider the character of the representation secured by Canada at the Conference, her position as a signatory of the treaties concluded there.

After referring to some sessions of the Imperial War Cabinet, he dealt with his presence in London in November, 1918, when the status of the Dominions at the Peace Conference was discussed. He said:

> In the end I proposed that there should be a distinctive representation for each Dominion similar to that accorded to the smaller Allied Powers, and in addition that the British Empire representation of five delegates should be selected from day to day from a panel made up of representatives of the United Kingdom and the Dominions. This proposal was adopted by the Imperial War Cabinet...
>
> The Preliminary Peace Conference began at Paris on January 12, 1919, and the question of procedure, including that of representation, was immediately taken up by the representatives of the principal Allied and Associated Powers, afterwards commonly known as the Council of Ten. At first strong objection was made to the proposed representation of the British Dominions. Subsequently there was a full discussion in the British Empire delegation, at which a firm protest was made against any recession from the proposal adopted in London. In the end that proposal was accepted.

A little further on, dealing with what took place at the Peace Conference, he said:

> It is desirable to note an important development in constitutional practice respecting the signature of the various treaties concluded at the Conference. Hitherto it has been the practice to insert an article or reservation providing for the adhesion of the Dominions. In view of the new position that had been secured and of the part played by Dominion representatives at the peace table we thought this method inappropriate and undesirable in connection with the Peace Treaty. Accordingly I proposed that the assent of the King as High Contracting Party to the various treaties should in respect of the Dominions be signified by the signature of the Dominion plenipotentiaries—

Right Hon. Mr. MEIGHEN: Hear, hear.

Hon. Mr. DANDURAND:

> —and that the preamble and other formal parts of the treaties should be drafted accordingly. This proposal was adopted in the form of a memorandum by all the Dominion Prime Ministers at a meeting which I summoned, and was put forward by me on their behalf to the British Empire delegation, by whom it was accepted. The proposal was subsequently adopted by the Conference and the various treaties have been drawn up accordingly, so that the Dominions appear therein as signatories, and their concurrence in the treaties is thus given in the same manner as that of other nations.

Towards those nations we are responsible if any obligation flows from our signature.

Right Hon. Mr. MEIGHEN: Precisely what I said yesterday.

Hon. Mr. DANDURAND: That is not exactly what my right honourable friend said. Sir Robert Borden went on:

This important constitutional development involved the issuance by the King, as High Contracting Party, of full powers to the various Dominion plenipotentiary delegates. In order that such powers issued to the Canadian plenipotentiaries might be based upon formal action of the Canadian Government, an Order in Council was passed on April 10, 1919, granting the necessary authority. Accordingly I addressed a communication to the Prime Minister of the United Kingdom requesting that necessary and appropriate steps should be taken to establish the connection between this Order in Council and the issuance of the full powers by His Majesty so that it might formally appear of record that they were issued on the responsibility of the Government of Canada.

And he closed his speech with the following statement:

On behalf of my country I stood firmly upon this solid ground; that in this, the greatest of all wars, in which the world's liberty, the world's justice, in short the world's future destiny were at stake, Canada had led the democracies of both the American continents. Her resolve had given inspiration, her sacrifices had been conspicuous, her effort was unabated to the end. The same indomitable spirit which made her capable of that effort and sacrifice made her equally incapable of accepting at the Peace Conference, in the League of Nations, or elsewhere, a status inferior to that accorded to nations less advanced in their development, less amply endowed in wealth, resources and population, no more complete in their sovereignty and far less conspicuous in their sacrifice.

This, I believe, justifies me in repeating that under section 132 of the British North America Act the obligations of Canada are solely towards foreign nations. And the foreign nations towards whom we should be obligated under the Treaty of Versailles are the signatories to the treaty, naturally. If this Parliament had refused to approve the Treaty of Versailles, would Canada be bound by it? I have no hesitation in answering in the negative. Under neither international law nor moral law should we be bound. All the signatories were fully aware of our situation, that we were present at the Conference as their equals in the negotiations leading up to the treaty. We had participated from A to Z in the Conference, and the signatories officially recognized our situation.

I will close with one practical suggestion. Since the present Government refuses to consult the Supreme Court as to the validity of all this legislation, notwithstanding that within the last twelve months it went to that tribunal for advice on three matters of far less importance, I suggest that it reconvene the interprovincial conference that was called for November last to discuss the division of legislative powers and was adjourned because the Government suddenly decided, without consulting the provinces, to appropriate certain powers to which they claim exclusive right. Well, it has to face responsibility for that to-day, as it will have to do in the years to come. I have good reason to believe that such a conference would be a successful one. My honourable friend from De Lanaudière (Hon. Mr. Casgrain) read yesterday a statement to the effect that the Prime Minister of the province of Quebec had expressed his willingness to attend a conference. I am convinced that if one were held within the next three months the provinces would agree to the transfer of jurisdiction in most of this social legislation to the federal authority.

Right Hon. Mr. MEIGHEN: May I ask the honourable gentleman what good that would be if the legislation is in fact ultra vires?

Hon. Mr. DANDURAND: I realize that the Constitution cannot be changed by mere consent of the provinces. But if such consent were obtained a resolution addressed to the Imperial Parliament could be based upon it and passed during this present session, should we adjourn over Easter.

Right Hon. Mr. MEIGHEN: I thought the suggestion was to hold a conference after three months.

Hon. Mr. DANDURAND: No; I said within three months. It could be called to-morrow.

Right Hon. Mr. MEIGHEN: We meet the mayors to-morrow.

Hon. Mr. DANDURAND: I think my right honourable friend will not contradict me when I say that if the Easter adjournment lasts six weeks it will be at least three months from now before we prorogue. Certainly a conference could be held within three months, and indeed within thirty days. I am convinced that the whole discussion upon the validity of this legislation could be waived by an agreement with the provinces. Of course there would have to be a resolution passed by this Parliament.

Right Hon. Mr. MEIGHEN: How long would it take before the law could be put into effect?

Hon. Mr. DANDURAND: By following my suggestion the Government would satisfy the public that this legislation is of serious intent, with the consent of the provinces behind it, and not merely an election gesture.

Right Hon. Mr. MEIGHEN: I think we should satisfy them that we were simply monkeying with the situation.

Right Hon. Mr. GRAHAM: Further monkeying.

Hon. Mr. DANDURAND: I cannot understand why a conference that was called for November cannot be reconvened in April.

Right Hon. Mr. MEIGHEN: It would mean another year's delay.

Hon. Mr. DANDURAND: It would mean that legislation could be enacted with an assurance from the provinces that they agree upon a resolution to be passed by this very Parliament before we prorogue, asking the Imperial Parliament to amend our Constitution. I have suggested that we do only what I think is fair, and what we should do if we were twenty-four months away from the turmoil of an impending election. We should go to the Supreme Court, as the right honourable gentleman and his Government have done in the last twelve months. "Oh," my right honourable friend says, "the question would then go to the Privy Council and take another year or so." No, not a reference to the Supreme Court, which, at all events, would give us prima facie assurance, if we are on safe ground. If the Government will not follow that course, I say, reconvene the provincial conference and see if you cannot within the next two months obtain the consent of the provinces to a resolution addressed to the Imperial Parliament requesting an amendment to our Constitution to enable the Parliament of Canada to enact this legislation.

Hon. ONESIPHORE TURGEON: Honourable members, I rise chiefly to express my admiration of the Canadian Constitution and of the Fathers of Confederation. They framed the British North America Act under, I may say, a providential inspiration in order to ensure the progress, prosperity and happiness of a population of different racial origins and religious creeds, and to weld it into a happy nation. In my early years I came into personal contact with some of those great statesmen, and many of their eloquent words are still resonant in my heart. I refer to about the time of the school trouble in New Brunswick, some sixty-four years ago. I have no doubt that every honourable member is just as sincere an admirer of our Constitution as I am.

On April 15, 1925, a few years after I became a member of this honourable House, I introduced a motion advocating the recognition and maintenance of provincial rights. I contended that the British North America Act was a solemn contract and could not be changed without the consent of all the provinces. I shall never forget the warm congratulations I received from many honourable members on both sides. Some of those who then so eloquently and forcibly supported my motion have since gone to their eternal reward, but there still remain the honourable senator from Grandville (Hon. Mr. Chapais), the honourable senator from Montarville (Hon. Mr. Beaubien), the honourbale senator from North York (Hon. Sir Allen Aylesworth) and the honourable senator from De Lorimier (Hon. Mr. Dandurand). These distinguished members of the legal profession expressed appreciation of the motion in terms beyond my fondest expectations.

In speaking to my motion I related my study of the Constitution and outlined my correspondence with Sir Wilfrid Laurier in 1906 and 1907. We both came to the conclusion that no constitutional change could be made without the unanimous consent of the provinces.

The Fathers of Confederation did not build this Dominion in the expectation that it would last for only a few years. They did not intend to take away from the old Eastern Provinces their rich revenues, revenues which maintained the population of the Maritimes in prosperity and fraternal happiness. The Fathers of Confederation had no intention to unite such a vast country with links so weak that they might break at any time under the stress of the least egotism or passing emotion of a few honest but misguided spirits. The Fathers of Confederation united British North America in the strong bonds of fraternity, generosity, justice and charity, in the confident hope that the population would eventually number 50,000,000 or more and that Canada would become a great nation. To bring about Confederation the provinces made sacrifices. They gave to the Dominion their best sources of revenue, their customs and excise taxes and postal service. Without those concessions on the part of the provinces no Federal Government could function.

I submit the Parliament of Canada has no power to change the Constitution. The provinces may be asked to agree to amendments to the Constitution to meet changed economic and social conditions, but no action to this end can be taken without the unanimous consent of the provinces.

It is claimed by some persons that the Government of the United Kingdom should not have power to change our Constitution. The Imperial Parliament does not change the Constitution. It is the guardian of the contract

made between the provinces and the Dominion, and I repeat, changes can be made only by consent of all the provinces.

In this connection may I quote from a speech delivered by the Hon. Mr. Adderley when introducing the British North America Act in the British House of Commons. He said:

> The House may ask what occasion there can be for our interfering in a question of this description. It will, however, I think, be manifest, upon reflection, that, as the arrangement is a matter of mutual concession on the part of the Provinces, there must be some external authority to give a sanction to the compact into which they have entered. It is very true we have often given to colonies, secondary in importance to these, the task of framing their own constitution. A general Act was passed two years ago which gives to all colonies with representative institutions the power, at any time, of altering their Constitution within certain limits; but it is clear the process of federation is impracticable to the constituent Legislatures. If again, federation has in this case specially been a matter of most delicate treaty and compact between the Provinces—if it has been a matter of mutual concession and compromise—it is clearly necessary that there should be a third party ab extra to give sanction to the treaty made between them. Such seems to me the office we have to perform in regard to this Bill.

I may say that recently representatives of the Maritime Provinces assembled here in complete accord to interview the Government and request just treatment. Now the Government is seeking to take from the provinces more of their privileges and to invade a jurisdiction of the greatest importance, the jurisdiction of the provinces with respect to hours of labour and other social matters.

The Premier of Nova Scotia, the Hon. Angus Macdonald, before leaving Ottawa last January expressed his dissatisfaction with the Bill then before Parliament which takes away certain provincial rights. He said:

> The Premier of Quebec, Hon. L. A. Taschereau, has already reiterated the statement that no change can be made in the Constitution without the unanimous consent of the nine provinces.

In an interview given to the press Hon. Mr. Macdonald stated:

> Before Mr. Bennett puts in reform measures affecting the provinces, he should consult the provinces. It is not fair that he should dangle legislation before the provinces with the idea that public opinion will force them in line, without respect to the needs of the individual provinces.
>
> At a federal-provincial conference a year ago I suggested that an exhaustive study should be made of the British North America Act. I do not believe that vital provisions of the Act, such as minority rights, should be touched; but I think that financial matters could be readjusted without changing greatly the character of the Act.

The time, however, for the Dominion to get together with the provinces to thrash out respective jurisdictions is after an election, not before. I think, though, that the provinces should at least have been consulted, before any federal measure which would require enabling legislation from them is passed.

The honourable the Premier of Nova Scotia is a distinguished lawyer and well known throughout the country.

I have before me a statement by the Hon. Mr. Taschereau, Premier of Quebec. I cite the last sentence:

> Let me speak for a moment as leader of this Government to say that I am not prepared to permit the British North America Act to be changed by the will of a majority of the provinces. We have built certain things here in this old province; we have created institutions which are dear to us, and we don't want them done away with to suit the caprice of even a majority of the provinces.

I think these expressions of opinion represent pretty well the attitude of the provinces on the question of changing the Constitution.

The right honourable leader of the House (Right Hon. Mr. Meighen), of whose eloquence and literary and legal talents there is no greater admirer than his humble friend from Gloucester, when speaking of the draft labour conventions some time ago asked whether it would ever be possible for Canada to make any real progress in the way of keeping itself abreast of the advances in social legislation throughout the world if we were always going to say that we must wait until all the provinces are in agreement. Well, I take the liberty of replying, it will be easy at any time to get the decision of the provinces if the Government will submit its case to them. It will be better for the Federal Government to proceed calmly and fraternally, for without the co-operation of the provinces Confederation would not be possible.

The provinces, I may say, have always given their best attention to the condition of the working classes. Many years ago the Government of Quebec sponsored legislation respecting labour accidents. Under this legislation a labourer injured in the course of his employment is given medical attention at the expense of the employer and the province, and while he is in hospital his family is maintained.

The province of New Brunswick has also a similar law. It was enacted in 1918, when the honourable senator from Saint John (Hon. Mr. Foster) was Premier. It has been of great benefit to the workers in mills, lumber camps and factories. Not only has this legislation been of benefit to the workers; it has also enured to the advantage of the

employers, for by taking every possible means to prevent accidents they reduce their costs.

I need not recall the International Labour Conference held at Washington in 1919 and the delay in implementing the draft convention then entered into. This has been adequately dealt with by the honourable leader on this side of the House (Hon. Mr. Dandurand). He quoted the opinion of Hon. Mr. Doherty, then Minister of Justice, an eminent lawyer, to the effect that eight-hour-day legislation is a matter for the provinces to deal with.

If the provinces confer together and decide to transfer their jurisdiction over matters dealing with the hours of labour I shall be ready to accept their decision. Otherwise I submit the Government should not proceed with this motion, for it may find the provinces taking steps to petition the Imperial Government to protect their rights and privileges.

In my judgment the Government should secure the consent of all the provinces before taking further action. In a word, it should abide by the Constitution.

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

The Senate adjourned until Tuesday, April 2, at 3 p.m.

THE SENATE

Tuesday, April 2, 1935.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill P, an Act for the relief of Emma Gelfman Goldman Stokolsky.—Hon. Mr. McMeans.

Bill Q, an Act for the relief of Albertine Roberte Montpellier de Beaujeu.—Hon. Mr. McMeans.

FINANCIAL ARRANGEMENTS WITH MARITIME PROVINCES

GOVERNMENT COUNSEL—INQUIRY

Hon. Mr. SINCLAIR inquired of the Government:

1. Did the Government employ counsel to represent Canada before the Royal Commission on Financial Arrangements between the Dominion and the Maritime Provinces appointed under Order in Council, P.C. 2231, 1934?

2. If so, who were appointed and how much did they receive for their services and for their expenses respectively.

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

1. Yes.

2. C. G. Heward, K.C.: services, $7,690; expenses, $1,110.92.

F. S. Ruggs, K.C.: services, $5,283; expenses, $1,217.36.

EASTER ADJOURNMENT

Before the Orders of the Day:

Hon. Mr. DANDURAND: I think the right honourable leader of the House led us to hope that to-day he would give us a statement as to the date of the Easter adjournment. I should not be interested but for the rumour that the adjournment is to be a long one. I do not know whether my right honourable friend has any news to impart to the House.

Right Hon. Mr. MEIGHEN: I can give some information, but I am very doubtful whether it will be considered news. The Senate will sit this week and next week and, I think, probably the following week until Thursday.

Hon. Mr. CASGRAIN: Holy Week?

Right Hon. Mr. MEIGHEN: Yes. Easter is not until two weeks from Friday. The length of the adjournment is a subject about which I can make no further statement.

ROYAL CANADIAN MOUNTED POLICE BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 9, an Act to amend the Royal Canadian Mounted Police Act.

He said: Honourable members, an amendment to this Bill is desirable, and, as I cannot move it, I have asked the honourable senator from Saltcoats (Hon. Mr. Calder) to do so. I will explain its purpose now.

The Senate having struck out subclause 8, the main substantive part of section 3, we had considerable doubt in our minds whether subclause 9 was necessary; and similarly as to subclause 6 of section 4. As, however, these were restrictive, it was finally decided not to strike them out. The honourable senator who leads the other side (Hon. Mr. Dandurand) suggested that the motion for third reading should stand until to-day, as by that time we might get a report on these subclauses. I find they are not necessary. They

are merely a limitation which would apply in case the sections carried. As they did not carry, there is no need of the limitation. Consequently the amendment to be now moved is, I think, necessary.

Hon. Mr. CALDER: I move:

That Bill 9, an Act to amend the Royal Canadian Mounted Police Act, be not now read a third time, but that it be further amended by striking out clauses 3 and 4 of the Bill.

The amendment was agreed to.

The motion of Right Hon. Mr. Meighen for the third reading of the Bill was agreed to, and the Bill was read the third time, and passed.

INTERNATIONAL LABOUR CONVENTION

MINIMUM WAGES

The Senate resumed from Thursday, March 28, the adjourned debate on the motion of Right Hon. Mr. Meighen:

That it is expedient that Parliament do approve of the convention concerning the creation of minimum wage fixing machinery adopted as a draft convention by the General Conference of the International Labour Organization of the League of Nations at its Eleventh Session in Geneva on the 16th day of June, 1928.

Hon. RAOUL DANDURAND: Honourable members of the Senate, in order that this Chamber may know the extent of the jurisdiction which will be claimed under this convention, I crave permission to read the first four articles of the convention.

Article 1

Each Member of the International Labour Organization—

That means each nation.

Each Member of the International Labour Organization which ratifies this convention undertakes to create or maintain machinery whereby minimum rates of wages can be fixed for workers employed in certain of the trades or parts of trades (and in particular in home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

For the purpose of this convention the term "trades" includes manufacture and commerce.

Article 2

Each Member which ratifies this convention shall be free to decide after consultation with the organizations, if any, of workers and employers in the trade or part of trade concerned, in which trades or parts of trades, and in particular in which home working trades or parts of such trades, the minimum wage fixing machinery referred to in Article 1 shall be applied.

Article 3

Each Member which ratifies this convention shall be free to decide the nature and form of the minimum wage fixing machinery, and the methods to be followed in its operation:

Provided that,

(1) Before the machinery is applied in a trade or part of trade, representatives of the employers and workers concerned, including representatives of their respective organizations, if any, shall be consulted as well as any other persons, being specially qualified for the purpose by their trade or functions, whom the competent authority deems it expedient to consult;

(2) The employers and workers concerned shall be associated in the operation of the machinery, in such manner and to such extent, but in any case in equal numbers and on equal terms, as may be determined by national laws or regulations;

(3) Minimum rates of wages which have been fixed shall be binding on the employers and workers concerned so as not to be subject to abatement by them by individual agreement, nor, except with the general or particular authorization of the competent authority, by collective agreement.

Article 4

Each Member which ratifies this convention shall take the necessary measures, by way of a system of supervision and sanctions, to ensure that the employers and workers concerned are informed of the minimum rates of wages in force and that wages are not paid at less than these rates in cases where they are applicable.

A worker to whom the minimum rates are applicable and who has been paid wages at less than these rates shall be entitled to recover, by judicial or other legalized proceedings, the amount by which he has been underpaid, subject to such limitation of time as may be determined by national laws or regulations.

I desire first to draw the attention of this Chamber to the fact that this legislation covers, and can only cover, contracts to hire, which, under clause 92 of the British North America Act, form part of and fall under the title of property and civil rights. Heretofore legislation such as is being introduced under this convention has been a matter of exclusively provincial jurisdiction, and all the provinces in which industries exist have legislated in various ways and to various extents in that field.

In order to know what ground has been covered by the provinces, I looked up the code of labour and industrial laws of the province of Quebec, a large quarto volume of 320 pages, in which is contained a record of the varied activities of the Legislature dealing with nearly everything that would seem to be necessary for the protection of labour. Among the provincial enactments and regulations to which reference is made

are the Industrial and Commercial Establishments Act, the classification of dangerous, unhealthy or incommodious establishments, regulations relating to all principal trades, an Act respecting the Limitation of Hours of Work, an Act respecting the Extension of Collective Labour Agreements—a most interesting and important piece of legislation, an Act respecting the Privileges of Workmen, an Act respecting Electricians and Electrical Installations, an Act respecting Mechanics, Plumbing and Pipe Workers, an Act respecting Stationary Enginemen, Steam Boilers and Pressure Vessels, an Act respecting Unemployment Bureaus, an Act respecting Workmen's Compensation, an Act respecting a Minimum Wage for Women and Children, an Act respecting One day of Rest Each Week, an Act respecting Investigations in Industrial Disputes, and an Act respecting Councils of Conciliation and Arbitration. I am naming simply the principal measures.

Under the Act respecting the Extension of Collective Labour Agreements a considerable number of agreements have been made which are absolutely in accord with the provisions of this convention and which completely cover the activities of numerous trades. That Act is practically along the lines of article 4, which I read. I have in my hand an extension of a collective labour agreement relating to the clothing industry, and it applies to all activities in that industry. As I have said, a number of such agreements have been made under this Act, and I believe that they might well be studied by Dominion Government officials who have to frame legislation under the convention.

I feel sure that if I looked I should find that the great industrial province of Ontario, like the province of Quebec, has not been remiss in its duty of legislating with respect to the social needs of its people.

This legislation which we are passing here will, as my right honourable friend has said, supersede certain provincial laws. I wonder if it will not create havoc in the provinces, where there has gradually been built up a system of laws to meet their own needs. After all, we must not forget, when thinking of the authority of this Parliament, that we represent the same people who are represented in the legislatures. I have referred only to the two provinces of Ontario and Quebec, because they are the most highly industrialized, Ontario leading the way for the whole Dominion; but what we do here will of course apply throughout the other seven provinces as well. Legislation such as we have now before us is not at all extraordinary, for the provinces have to a large extent covered the same ground. The only reason they have not gone farther is that their people did not want them to do so. We are called upon now to decide that the provinces have not gone far enough in some respects. Well, I will not controvert the statement that laws can always be improved. They are being improved in our legislatures, as well as in our Parliament, all the time. But what will be the effect of superimposing upon the provinces measures respecting needs which they feel have already been pretty well attended to?

As I said when I moved the adjournment of this debate, the fact that the International Labour Organization decides that certain legislation is desirable does not give us the right to oust the provinces from their fields of jurisdiction. I have repeated this more than once, and to-day I draw attention particularly to what the provinces themselves have done. I will not further challenge the vote to be taken, for the Government will have to take responsiblity for the legislation when, later on, various parts of the country contend that it was ultra vires of Parliament.

Right Hon. ARTHUR MEIGHEN: Honourable senators, I think a fair statement of my honourable friend's position would be this. Here is another draft convention which we are seeking to ratify, the subject-matter of which, inasmuch as it deals with scales of wages, is ordinarily within provincial jurisdiction. In this sphere the provinces have presumably passed many enactments, by virtue of which there is already in effect what we are trying to have done in compliance with the draft convention. To this he adds the general objection that the proposed legislation is ultra vires of Parliament for the very reason that it covers subjects which ordinarily are under provincial jurisdiction.

I know that the subject of rates of wages, entirely aside from our position in respect of international agreements and our general right of legislation in trade and commerce, is a matter under provincial jurisdiction. Specific cases are undoubtedly in that category. I do not for a moment intend to traverse again the subject of our rights and the duty that rests upon us because of our desire to take our place with other countries in what we believe to be advancement in this sphere. But I urge this consideration upon the House. Suppose all provinces in Canada had some legislation providing a minimum wage for men and women in different classes of industry—and they have not—would our duty be in the least affected by that? One of the purposes of international

arrangements on this subject is to produce uniformity. What uniformity would there be if we left the matter to the nine provinces? What uniformity is there now? In some provinces we have no minimum wage legislation at all. Even in the province to which my honourable friend referred specifically by cataloguing some of its enactments, there is minimum wage legislation only in respect of women and children.

Hon. Mr. DANDURAND: No, not under the Act respecting the Extension of Collective Labour Agreements. That is progressive.

Right Hon. Mr. MEIGHEN: Certainly, they have Acts validating or authorizing voluntary agreements; but that is not legislation fixing a minimum wage.

Hon. Mr. DANDURAND: The agreements become compulsory.

Right Hon. Mr. MEIGHEN: I know, but they do not cease to be voluntary. In so far as there is a statutory limitation, it is applicable to women and children alone. I do not think there is any statutory minimum in Ontario outside of that limitation. How can it be argued that when other countries are moving and many have adopted this legislation we can rest on our oars, and because Quebec has imposed a minimum, whatever it may be, on the wages of women and children, and Ontario and British Columbia have done the same, and Manitoba somewhat the same, we can consider that sufficient, and on the plea of functus officio let the Dominion stand idly by? The fact is, all those other enactments do not concern minimum wages at all, and this Bill has nothing to do with them. They relate to conditions of labour, health, and so forth. This is a Bill to establish machinery for the fixing of minimum wages throughout Canada, whereby the unanimity contemplated by international arrangements is brought about.

There was an implied objection to the legislation in my honourable friend's speech, on the ground that under this machinery there might be conflict between provincial and Dominion regulations. That would be a formidable objection in relation to conditions of labour, health, and so on. But I cannot see how there can be any conflict in respect of minimum wages. When a province fixes a higher minimum this Bill maintains the provincial legislation. That is the way the conflict he fears is avoided.

Hon. Mr. DANDURAND: I draw my right honourable friend's attention to clause 3, article 3, to which the provincial jurisdiction conforms.

Right Hon. Mr. MEIGHEN: This is article 3:

> Each Member which ratifies this convention shall be free to decide the nature and form of the minimum wage fixing machinery, and the methods to be followed in its operation:
>
> Provided that,
>
> (1) Before the machinery is applied in a trade or part of trade, representatives of the employers and workers concerned, including representatives of their respective organizations, if any, shall be consulted as well as any other persons, being specially qualified—

and so on.

> (2) The employers and workers concerned shall be associated in the operation of the machinery, in such manner and to such extent, but in any case in equal numbers and on equal terms, as may be determined by national laws or regulations.

That is in the operation.

> (3) Minimum rates of wages which have been fixed shall be binding on the employers and workers concerned so as not to be subject to abatement by them by individual agreement—

Hon. Mr. DANDURAND: That is the Quebec legislation.

Right Hon. Mr. MEIGHEN: Certainly, that is the whole intent. If the major strength has been on the side, say, of the employer in Quebec, and he has fixed a minimum wage which it is believed is below what it should be in the national and the international interest, then of course Dominion legislation supersedes it should our minimum be above that of the province. If theirs is above ours, theirs supersedes by virtue of this enactment. Consequently there is no opportunity for conflict.

I want to say only one word on the subject of general jurisdiction. Perhaps it will be of more interest to the lawyers of this Chamber than to other members. Already the subject has been twice discussed, and quite elaborately, in this House. In the November issue of last year and the February issue of this year of the Journal of Comparative Legislation and Constitutional Law will be found a very careful examination of this question by a legal writer, Mr. C. Wilfred Jenks. Any lawyer who reads the articles will see that the author has very thoroughly studied the subject and exhibits a mastery of it greater than has been shown in these debates, or, I think, in any judgment of our courts. I am not going to say what his conclusions are, but I earnestly hope that if he has an opportunity of reading what I have said in this House his satisfaction will be somewhat commensurate with the satisfaction I experienced in reading his articles.

Hon. Mr. BELAND: Have the provinces been invited to express their ratification of this convention?

Right Hon. Mr. MEIGHEN: I cannot answer definitely, but I have not the slightest doubt that after this convention was sent to Canada the Government of that day—1928—would, pursuant to the then prevailing practice, initiated by the Government of which I was the head, send this convention to the lieutenant-governors of all the provinces.

Hon. Mr. BELAND: I understand the right honourable gentleman to say that if any province has fixed a higher minimum wage than that to be set by this Parliament—

Right Hon. Mr. MEIGHEN: Under this statute.

Hon. Mr. BELAND: —then the provincial rate supersedes.

Right Hon. Mr. MEIGHEN: It is not entirely correct to say that it supersedes. This Bill says the provincial minimum shall then prevail.

Hon. Mr. BELAND: The higher minimum.

Right Hon. Mr. MEIGHEN: Yes, the higher minimum prevails.

Hon. Mr. BELAND: If there is a conflict of jurisdiction between the Parliament of Canada and the provinces as regards this proposed legislation, is it the intention of the right honourable gentleman to submit a case to the Supreme Court?

Right Hon. Mr. MEIGHEN: I have no powers of submission, but I will say frankly I do not intend to suggest it. I have never had any doubt after giving thorough study to the subject. In the light of the reading I have been able to do since adjournment of the Senate last Friday, I cannot see how it would be possible for the most skilful mind to inject any doubt at all into mine.

The motion was agreed to.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE AMENDMENT BILL

SECOND READING POSTPONED

On the Order:

Second reading of Bill G, an Act to amend the Combines Investigation Act and the Criminal Code.—Hon. Mr. Casgrain.

Hon. Mr. CASGRAIN: Honourable gentlemen, I must frankly confess that I rise with a great deal of diffidence to encroach on the precincts of the legal fraternity. I have done so before, and I have no regrets, but I shall have to follow my notes very carefully, for the trail has to be well blazed for a surveyor to follow it.

Right Hon. Mr. MEIGHEN: Is my honourable friend moving second reading of his Bill?

Hon. Mr. CASGRAIN: I am.

Right Hon. Mr. MEIGHEN: I may confide to the House that I am very desirous of having the Committee on Banking and Commerce meet this afternoon, not specially for the purpose of proceeding with our work on the Insurance Bill, although we have agreed to meet for that purpose, but rather to take up the Relief Bill, which has been submitted to the committee. So to submit such a Bill is rather unusual, but it has been done for a specific purpose, at the request of the honourable senator who leads the other side (Hon. Mr. Dandurand). I hope, as soon as the Senate can conclude its business, to move adjournment until 5 or 5.30 this afternoon so the committee may meet and report the Relief Bill, as it is very desirable indeed that it be dealt with by this House to-day. I wonder if it would be asking too much to suggest that the honourable gentleman postpone discussion of his Bill for the present.

Hon. Mr. CASGRAIN: Honourable members, I shall have to immolate myself once more. I shall hold the speech which I have been trying to get off my chest for a long time. The right honourable gentleman has always been so kind and courteous that I cannot refuse his request. Therefore I move, seconded by Hon. Mr. Ballantyne, that the Order be discharged and placed on the Order Paper—I hope for the last time—to-morrow.

The motion was agreed to.

APPROPRIATION BILL No. 2

FIRST READING

A message was received from the House of Commons with Bill 47, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: This Bill is necessarily for supply in full, as it covers the last financial year. Bill 49, which will follow this Bill, is the usual measure for interim supply. Schedule A covers one-sixth, schedule B one-twelfth,

of the main estimates for the fiscal year which started yesterday. As this is a subject on which we never interfere except by a direct negative, I should like the House to agree to both Bills being passed to-day.

Hon. Mr. DANDURAND: I simply desire to draw attention to one feature of these Bills, No. 47 and No. 49, both of which I suppose are before us. The provisional vote of one-twelfth should be passed, it goes without saying, and the request under the other Bill cannot be denied, because we must meet our liabilities; but I would point out that we are voting $49,000,000 to meet the deficits of the Canadian National Railways, and I want to remind my right honourable friend that all has not been done by this Government that could have been done to bring about a better showing by the Canadian National. For the last three years we have worked diligently to try to frame legislation which would allow of economies being effected by the two railways coming together, but the machinery provided for that purpose has not yet been set up.

Right Hon. Mr. MEIGHEN: Possibly all that could have been done to make a better showing has not been done, but a better showing has been made. I am not saying it is the best showing possible, but there is an improvement.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

APPROPRIATION BILL No. 1

FIRST READING

A message was received from the House of Commons with Bill 49, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: There still lingers in my mind the memory of a custom which used to prevail when bills such as this were presented to the Senate. A reservation was always made from this side of the House, and consent to the second reading did not imply that there was no right to criticize on the motion for third reading. I rise not for the purpose of criticizing, but to state that my right honourable friend to my left (Right Hon. Mr. Graham), who could discuss the national railway problem for the remainder of this sitting, desires to postpone his remarks until the Supply Bill proper comes before us.

Right Hon. Mr. MEIGHEN: Very well. Whenever it comes.

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

The Senate adjourned during pleasure.

At five o'clock the sitting of the Senate was resumed.

RELIEF BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented the report of the Standing Committee on Banking and Commerce on Bill 41, an Act respecting Relief Measures, and moved concurrence therein.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: I should like to ask a question of the right honourable gentleman. We passed this afternoon an Act for granting to His Majesty a certain sum of money, being one-twelfth of the total supply for the financial year ending the 31st of March, 1936. Under the Act respecting Relief Measures, upon which we are about to vote, could the Government expend moneys beyond the one-twelfth that we have granted?

Right Hon. Mr. MEIGHEN: Such a sinister design would never enter my head unless placed there by others. Consequently the suddenness of the suggestion rather appals me. I think the proper answer to the question is no.

Hon. Mr. DANDURAND: Of course my right honourable friend realizes that under the terms of this measure the whole of the credit of Canada is in the hands of the Government.

Right Hon. Mr. MEIGHEN: Only for purposes of relief.

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

LIMITATION OF HOURS OF WORK BILL

SECOND READING

The Senate resumed from March 28 consideration of the motion for the second reading of Bill 21, an Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.

Hon. A. MARCOTTE: Honourable senators, I would ask you to be patient with me for a short time. So much has been written and spoken about the question of jurisdiction of the Federal Government to legislate on the subject-matter of this Bill, so many references have been made to the dangers to minority rights from the supposed invasion of provincial jurisdiction by the Federal Parliament that it is expedient to give further consideration to this question.

I may say that I am somewhat diffident in rising to deal with this subject, on which so many conflicting opinions have been given by good lawyers, eminent judges and our best parliamentarians; and I hesitate even more to cover the legal grounds so ably expounded by the right honourable leader of the Senate and the other senators who have spoken on the same question. But as I am considered to be one of the representatives of a minority, I have been requested to give my own views on the present Bill, and, depending on your indulgence, I will do so.

First let us consider the aims of Part XIII of the Peace Treaty, which deals with labour. Out of the horrors of the World War grew an overwhelming desire not only for universal peace between nations, but for the betterment of social life, especially among the working classes. If the League of Nations could not permanently ensure nations against war, it could at least better conditions for the working classes and it immediately began activities towards that end.

Let us read once more section I of Part XIII of the Peace Treaty, dealing with the protection of labour:

> Organization of Labour
>
> 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 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—

as is provided for in this Bill.

This is followed by an enumeration of methods for obtaining the desired results, and of principles which I would place under three headings:

1. Universal peace is the main object of the League of Nations.
2. This peace is to be based on social justice.
3. The failure of any nation to adopt humane conditions of labour is an obstacle to other nations who seek to improve conditions in their own territories.

The natural and necessary conclusion is that this question of the protection of labour cannot be considered as a provincial affair: it has become not only a national one, but, what is more, a matter of international concern.

By its signature to the Peace Treaty Canada is bound not only to accept but to co-operate in carrying on these undertakings.

How must we fulfil our obligation? It has been argued on high authority, first, that the only obligation on the part of Canada was to bring the proposed draft convention before the competent legislatures; second, that the competent legislative bodies are our provincial legislatures, and none other.

I will not discuss the right of the Federal Government to legislate under the provisions of section 132 of the British North America Act. This point has been amply covered by the right honourable leader of the Senate, and it is unnecessary for my purpose to repeat his argument. I wish merely to add another authority to those already quoted. I refer to the case of Rex vs. Stuart, Dominion Law Reports, 1925, page 12, where it was decided that

> The Migratory Birds Convention Act, Canada, 1917, chapter 18, to implement a treaty in accordance with section 132 of the British North America Act is intra vires of the Dominion, though trenching on provincial powers over property and civil rights, and is paramount over provincial statutes.

Now I intend to discuss the question of jurisdiction under clauses 91 and 92 of the British North America Act. I am going to submit that even if the Federal Government

had not the power given in section 132—I contend it has—it would have jurisdiction under section 91. I base my argument on the law as I find it in decisions of the Supreme Court of Canada and of the Privy Council, and on the existing facts as the law applies to them. Section 91 reads:

It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada, in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces—

It is important that we emphasize "exclusively" and "peace, order and good government of Canada."

References have been made to the Order in Council of November 6, 1920, and much stress has been laid on the opinion therein given. What was that opinion?

The treaty engagement being of this character, it is not such as to justify legislation on the part of Parliament under the authority of section 132 of the British North America Act, 1867, to give effect to any of the proposals of the said draft conventions and recommendations, which must be held, as between the Dominion and the provinces, to be within the legislative competence of the latter.

Read carefully, it simply means that if, as between the Dominion and the provinces, any of the proposals is held to be within the legislative competence of the provinces, then the treaty engagement is not such as to empower the Parliament of Canada to legislate under section 132. The Order in Council does not decide that the present draft convention covers a matter exclusively reserved to the provincial field under section 92; not at all.

But, I ask, has sufficient attention been given to the last paragraph of the Order in Council?

The Government's obligation will, in the opinion of the Minister, be fully carried out if the different conventions and recommendations are brought before the competent authority, Dominion or provincial, accordingly as it may appear, having regard to the scope and objects, the true nature and character of the legislation required to give effect to the proposals of the conventions and recommendations respectively, that they fall within the legislative competence of the one or the other.

If, as is claimed by some, this Order in Council had clearly given the opinion that these draft conventions or proposals were "exclusively" within the competence of the provincial legislatures, why this last paragraph? Why this recommendation to have "regard to the scope and objects, the true nature and character" of the proposals, or to have the draft conventions brought before the competent authorities, Dominion or provincial? We have to keep this advice in mind when we come to consider later decisions.

This Order in Council gives the opinion that the obligation under the treaty does not justify legislation on the part of Parliament under section 132. But it says something more. There is no mention here of jurisdiction "exclusively" provincial, but it says "competent authority, Dominion or provincial, accordingly as it may appear."

This opinion did not entirely satisfy Parliament, and in 1924 a committee was appointed by the House of Commons, which reported that in spite of the Order in Council of 1920 and the views expressed by the law officers, the matter was of such importance that it should be submitted to the Supreme Court of Canada by way of reference.

The report from the Supreme Court came out in 1925. Let us study this report for a few moments. Four questions were submitted and answered. This is the first question:

What is the nature of the obligation of the Dominion of Canada as a member of the International Labour Conference, under the provisions of the Labour Part (Part XIII) of the Treaty of Versailles and of the corresponding provisions of the other treaties of peace, with relation to such draft conventions and recommendations as may be from time to time adopted by the said conference under the authority of and pursuant to the aforesaid provisions?

To which the Supreme Court answered:

The obligation is simply in the nature of an undertaking to bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

It will be noticed the Court says "authority or authorities within whose competence the matter lies."

Question 2:

Are the legislatures of the provinces the authorities within whose competence the subject-matter of the said draft convention (copy of which is herewith submitted) in whole or in part lies and before whom such draft convention should be brought, under the provisions of Article 405 of the treaty of peace with Germany, for the enactment of legislation or other action?

This is the answer:

Yes, in part.

Although the answer is very short, it is quite important. A copy of the draft convention had been submitted with the questions. The Court took full cognizance of it and the

answer is clear. The jurisdiction is not "exclusively" with the provinces, but only "in part."

Question 3:

If the subject-matter of the said draft convention be, in part only, within the competence of the legislatures of the provinces, then in what particular or particulars, or to what extent, is the subject-matter of the draft convention within the competence of the legislatures?

The answer is:

The subject-matter is generally within the competence of the legislatures of the provinces—

Here we do find, not the word "exclusively," as mentioned in section 91, but the word "generally." What is the meaning of this word "generally"? The Privy Council decided in the Aerial Navigation case, 1932, that it does not mean "in every respect."

The answer continues:

—but the authority vested in these legislatures does not enable them to give the force of law to provisions such as those contained in the draft convention in relation to servants of the Dominion Government, or to legislate for those parts of Canada which are not within the boundaries of a province.

If the legislatures have no authority vested in them to make laws in relation to servants of the Dominion, or to those parts of Canada not within the boundaries of a province, then this authority cannot lie elsewhere than with the Federal Parliament, and the answer to question 4 covers the point. I ask honourable senators always to keep in mind the words "exclusively" as in section 91, "in part" as in the Supreme Court judgment, and "generally" as in the same judgment.

Question 4:

If the subject-matter of the said draft convention be, in part only, within the competence of the legislatures of the provinces, then in what particular or particulars, or to what extent, is the subject-matter of the draft convention within the competence of the Parliament of Canada?

This is the answer:

The Parliament of Canada has exclusive legislative authority in those parts of Canada not within the boundaries of any province, and also upon the subjects dealt with in the draft convention in relation to the servants of the Dominion Government.

It is important to observe that according to this judgment we are confronted with a dual jurisdiction, federal and provincial, each having the necessary power to legislate in its own field. This has to be carried in mind in view of later decisions by the Privy Council.

I come now to the decisions of the Privy Council in re Aerial Navigation, Vol. I, Dominion Law Reports, 1932. Four points are decided as follows:

1. The legislation of the Parliament of the Dominion, so long as it strictly relates to subjects of legislation expressly enumerated in section 91, is of paramount authority, even though it trenches upon matters assigned to the provincial legislature by section 92.

This is the point concerning trade and commerce which was relied upon by the right honourable leader of the Senate. It is of no use to repeat the argument.

2. The general power of legislation conferred upon the Parliament of the Dominion by section 91 of the Act in supplement of the power to legislate upon the subjects expressly enumerated must be strictly confined to such matters as are unquestionably of national interest and importance, and must not trench on any of the subjects enumerated in section 92, as within the scope of provincial legislation, unless these matters have attained such dimensions as to affect the body politic of the Dominion.

As will be observed, two requisites are to be fulfilled: (1) the matters must be unquestionably of national interest and importance; (2) they must not trench on any of the subjects enumerated in section 92, "unless these matters have attained such dimensions as to affect the body politic of the Dominion." In the case at bar, no one will deny that the subject-matter is of national interest and importance; it is of international concern. In these days of general unrest it has attained dimensions of first magnitude. The consensus of opinion is virtually unanimous in favour of the measures. The only difference of opinion is on the jurisdiction of Parliament to legislate.

3. It is within the competence of the Dominion Parliament to provide for matters which, though otherwise within the legislative competence of the provincial legislature, are necessarily incidental to effective legislation by the Parliament of the Dominion upon a subject of legislation expressly enumerated in section 91.

It is not necessary to comment on this proposition, which is closely related to proposition No. 1.

4. There can be a domain in which provincial and Dominion legislation may overlap, in which case neither legislation will be ultra vires if the field is clear, but if the field is not clear and the two legislations meet, the Dominion legislation must prevail. Their Lordships particularly emphasize the second and third of these categories, and refer to the remarks made by Lord Watson in Attorney-General of Ontario v. Attorney-General of Canada (1896)—

I ask honourable members to note the year. —Appeal Cases, at p. 361, where he says: "Their Lordships do not doubt that some matters, in their origin local and provincial,

might attain such dimensions as to affect the body politic of the Dominion and to justify the Canadian Parliament in passing laws for their regulation or abolition in the interests of the Dominion, but great caution must be observed in distinguishing between that which is local and provincial and therefore within the jurisdiction of the provincial legislatures and that which has ceased to be merely local or provincial, and has become matter of national concern in such sense as to bring it within the jurisdiction of the Parliament of Canada."

In his eloquent address the other day the honourable senator from Rougemont (Hon. Mr. Lemieux) cited a speech of Hon. Edward Blake in 1896. May I draw the attention of the honourable senator to this part of his own citation? Mr. Blake said:

I maintain that under our Constitution, properly interpreted, the provinces have the uncontrollable power of passing laws, valid and binding laws, upon all those matters which are exclusively within their competence, except, perhaps, in the rare cases in which such legislation may be shown substantially to affect Dominion interests.

Does not the present Bill affect interests of even greater than Dominion importance—interests of international concern? This opinion dates from 1896, the same year when Lord Watson made the remarks I have already cited.

The interpretation that some of us give today to sections 91 and 92 is not a new one. On this point I cite the opinion given a few days ago by Mr. W. S. Edwards, Deputy Minister of Justice:

It will be observed that the purpose is to enable this Parliament to deal effectively with urgent economic problems which are essentially national in their scope. Well, in my view, problems of that kind are now within the competence of Parliament under the B.N.A. Act as it stands. A good deal has been said about the failure of the Fathers of Confederation to anticipate the necessity which might arise for the amendment of the Constitution. Personally I do not think that they failed to anticipate such necessity; but I think they deliberately framed the Constitution so as to make it subject to expansion by its own terms as the needs and as the problems of the country develop. In some of the self-governing Dominions and in other countries where a federal system prevails, there are fixed provisions for the amendment of their constitution; but in most, if not all, of those countries, their constitutions are not similar to ours in this respect, that the residuary powers rest with the state, and not with the central authority as it does in Canada. Therefore I think that the Fathers of Confederation deliberately provided a scheme whereby all matters that are essentially national in their scope would be within the exclusive competence of Parliament. They did that by vesting in the Dominion Parliament the residuary power, and in giving to the provinces their legislative powers they were very careful to make it clear that the legislative jurisdiction of the province was not, in any case, to extend beyond matters and rights situate in the province itself, matters of purely provincial or local concern.

As has been clearly pointed out in the judgment of the Supreme Court already cited, we are confronted with a dual jurisdiction. But the provinces could not entirely cover the matter dealt with in the draft convention. Therefore the Federal Parliament being the only body competent to make treaties with other countries, and being partially clothed with authority to legislate on the subject-matter, is alone competent to enact the necessary law not only to comply with the treaty, but to ensure uniform legislation on matters of national importance.

In summing up this argument, I submit that the Federal Parliament, in addition to the power given under section 132, has jurisdiction under section 91, because (1) this is a matter not "exclusively" reserved to the provinces under section 92, but reserved "in part" only; (2) there is here a dual jurisdiction, and the federal must predominate, as the Parliament of Canada is the only body with power to make a treaty with other countries on this matter; (3) this matter has grown to be of national and international concern and therefore falls under the principles laid down in the decision of the Privy Council.

There is still one point I wish to cover. It has been stated here and elsewhere that the present legislation creates a precedent dangerous to minority rights, because the Federal Government is encroaching on the jurisdiction of the provinces. Are there any real grounds for such fears? I will, with your permission, repeat what was so eloquently stated a little while ago in this Chamber by the right honourable leader of the Senate:

The honourable senator from Rougemont (Hon. Mr. Lemieux) is very fearful that the compact of Confederation is to be broken, the rights of minorities to be impinged upon, and generally that we are going to play fast and loose with the terms of the Constitution and the solemn compact it embodies. I want to assure the honourable gentleman that there is no thought farther from the mind of the Government, and there is no possibility of a precedent being created which could ever be used for the purpose of invading those rights and sacred privileges he seeks to protect. He says there are rights of race, of language, of religion and of education upon which the Fathers of Confederation compromised and agreed, and that the compromise is now embodied in the British North America Act. He says that if you seek to do what is proposed in the present instance under the guise of treaty-making you set a precedent under which the rights as between races, and minority rights in respect of religion and education, may some day also be invaded.

There is no reason for any such apprehension. Is it conceivable that the rights of the minority of Quebec, or the rights of the minority of

Ontario, should ever be made the subject of a treaty between Canada and other nations? What have other nations to do with these matters? How are they concerned in them at all? These rights are not proper subjects for negotiation between nations, and they could not come within the four corners of any treaty with other powers.

This is the answer to one phase of the question. But, honourable senators, the protection of minorities is safeguarded in no uncertain way by special sections of the British North America Act, namely, sections 93 and 133, and subsections 12, 13 and 14 of section 92. There is no duality of jurisdiction in regard to the rights of minorities.

In order to acquire jurisdiction in matters reserved to the provincial authorities, not "exclusively," but "in part" or "generally," the Federal Government has to find justification. When and where does it find it? The Federal Government has to prove (1) that the matters involved are not "exclusively" mentioned in section 92; (2) that they are "partially" under either one of the two jurisdictions; (3) that they have grown to be of such national importance as to affect the peace, order and good government of the country; (4) that failure to legislate upon them will prevent other countries, to which we are bound by treaty or treaties, from bettering their own conditions; and (5) the Federal Government is unable to take any roundabout way to create jurisdiction for itself. Our courts have so decided, and the Privy Council has already given decisions on that point, notably in the following, which is to be found in Dominion Law Reports, 1932, Volume I, page 65:

Inasmuch as the Act—

That is the British North America Act.

—embodies a compromise under which the original provinces agreed to federate, it is important to keep in mind that the preservation of the rights of minorities was a condition on which such minorities entered into the federation, and the foundation upon which the whole structure was subsequently erected. The process of interpretation as the years go on ought not to be allowed to dim or to whittle down the provisions of the original contract upon which the federation was founded, nor is it legitimate that any judicial construction of the provisions of sections 91 and 92 should impose a new and different contract upon the federating bodies.

But while the courts should be jealous in upholding the charter of the provinces as enacted in section 92, it must no less be borne in mind that the real object of the Act was to give the central Government those high functions and almost sovereign powers by which uniformity of legislation might be secured on all questions which were of common concern to all the provinces as members of a constituent whole.

I have tried, honourable senators, to be as brief and concise as possible in this argument. No one is more anxious than I am that the rights of minorities shall be fully protected. But in our desire to safeguard these rights we should not be blinded by imaginary fears.

It has been claimed by many that we were not bound by any of these draft conventions because they were only proposals or means to obtain certain objects. I do not agree with that contention. But even if it were so, even if we were not bound by a treaty, it is nevertheless our duty to pass legislation to better the living conditions of our working classes. We have agreed by the terms of this treaty to do our utmost to create peace between nations and to base this peace on social justice. Social justice demands that we help the working classes, and this measure is one of the means of reaching the goal. We are bound to try to have our people more contented, better protected against known miseries and accidents, and adequately remunerated for their work. This is the first step. Let us go forward without being hampered by the fear of non-existent dangers. Furthermore, we have agreed to pass legislation of that kind, not only for the protection of our own people, but likewise to help other nations secure better conditions of living for their own citizens. If we shirk these duties we are preventing these other nations from promoting social justice. So let us go ahead with the work of trying to achieve the greatest aim of the world at large—universal peace.

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

REFERRED TO COMMITTEE ON BANKING AND COMMERCE

Hon. Mr. DANDURAND: I understand that this Bill will go to the Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: If the honourable gentleman so desires, the Bill can go to that committee; but as it is really just a transcript of the convention, and as the time of that committee is already mortgaged for weeks ahead, I would suggest that it go to Committee of the Whole.

Hon. Mr. DANDURAND: No doubt my right honourable friend has received, as I have, representations from various persons asking to be heard in reference to the application of the Bill.

Right Hon. Mr. MEIGHEN: I have had some.

Hon. Mr. DANDURAND: I think it as well that we should hear these persons.

Hon. Mr. MURDOCK: In another place this Bill as originally drafted was amended in such a way as materially to alter it in its application. I think it important, therefore, that the Bill should go to a committee where representations can be made.

Right Hon. Mr. MEIGHEN: I should be glad to have the Bill referred to the Committee on Immigration and Labour, but the trouble is that I have to be in the Committee on Banking and Commerce anyway, and I cannot be in two places.

Hon. Mr. DANDURAND: Perhaps we should send it to the Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: That committee already has the Farm Loan Bill, which should be dealt with right away. I think I will move this Bill to the Committee on Immigration and Labour.

Hon. Mr. MURDOCK: I hope the right honourable gentleman will not do that, because I am very desirous of hearing the Unemployment Insurance Bill discussed. Furthermore, I think the eight-hour-day Bill, because of certain questions involved in it which dovetail into the other Bill, should go before the same committee.

Right Hon. Mr. MEIGHEN: Very well; I will move that the Bill be referred to the Committee on Banking and Commerce.

The motion was agreed to.

Hon. Mr. DANDURAND: Can the right honourable gentleman express any opinion as to the date when this Bill is likely to be examined before the Banking and Commerce Committee, so that the interested parties may be informed?

Right Hon. Mr. MEIGHEN: That will have to be fixed by the committee, but I think we can take it for granted that the committee will be engaged all this week and all next week on the Bills now before it.

Hon. Mr. DANDURAND: We shall see what progress we make in the committee.

Right Hon. Mr. MEIGHEN: Yes.

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

THE SENATE

Wednesday, April 3, 1935.

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

Prayers and routine proceedings.

PUBLIC HEALTH

REPORT OF COMMITTEE

Hon. Mr. BELAND presented the second report of the Standing Committee on Public Health and Inspection of Foods, and moved concurrence therein.

Right Hon. Mr. MEIGHEN: I think I gathered all the implications of the report. I am not rising to make any objection, but it seems to me it would be better if we had time to study the report a little more carefully before being asked to pronounce upon it. To-morrow would suit me.

Hon. Mr. BELAND: It would suit me.

The motion stands.

CANADIAN NATIONAL STEAMSHIP REPAIRS

INQUIRY

On the notice of inquiry by Hon. Mr. Foster:

1. Have there been any Canadian National steamships repaired in United States shipyards?

2. If so, what is the name or names of the ship or ships upon which such repairs were made?

3. If so, what was the amount paid for such repairs?

4. If so, were such ships so unseaworthy that they could not proceed to a Canadian drydock?

5. Is the Government aware that there is a drydock ship repair plant at Saint John, New Brunswick, such drydock being the largest on the Atlantic coast and efficiently managed and subsidized by the Government?

6. Are there any reasons why Canadian drydocks or shipyards should not be given the repair work on Canadian National steamships?

7. Does the Honourable C. P. Fullerton, K.C., Chairman of the Board of Trustees of the Canadian National Railways, make an annual report of the activities of the Board, and if so, will such report soon be made available?

Right Hon. Mr. MEIGHEN: Stand.

Hon. Mr. FOSTER: I do not object, but I might point out the question has been on the Order Paper now for two weeks.

Right Hon. Mr. MEIGHEN: Sometimes questions which look quite innocent entail a lot of work. I do not know the reason for the delay. I presume the question will be answered very shortly.

OUTPUT OF CANADIAN GOLD AND SILVER MINES

INQUIRY PASSED AS ORDER FOR RETURN

Hon. Mr. SINCLAIR inquired of the Government:

1. What was the gross output of gold from Canadian mines in the twenty years, 1915 to 1934, inclusive?

2. How much of it was produced respectively in Ontario, British Columbia, Nova Scotia, Manitoba and the Yukon?

3. How much silver was mined in Canada during the above period, giving the amount for each province where it was produced?

Right Hon. Mr. MEIGHEN: The answer is given in a very formidable table, which I shall lay on the Table of the House.

Hon. Mr. SINCLAIR: Make it an order for a return.

Right Hon. Mr. MEIGHEN: Yes, I will.

Hon. Mr. CASGRAIN: What is the total amount? It will be at the bottom of the addition.

Right Hon. Mr. MEIGHEN: I cannot see any total. The figures are given for each year, running from $18,977,000 in 1915 to $102,453,000 in 1934. I will ask that this be made an order for a return, and I now lay the return on the Table.

The inquiry was passed as an order for a return.

ONTARIO GOVERNMENT POWER CONTRACTS

INQUIRY

Before the Orders of the Day:

Hon. Mr. PARENT: I should like to ask a question which I believe to be very important. It is common knowledge, and it is reported in the press, that a certain Bill, the purpose of which is to repudiate contracts between certain companies in the province of Quebec and the Ontario Government, is now before the Ontario Legislature. I should like to know from the representative of the Government in this House whether, if this Bill is passed, the Dominion Government will recommend to the proper authority, the Governor General of Canada, that he do not assent to it.

Right Hon. Mr. MEIGHEN: I concur with the honourable member in his appreciation of the seriousness, not only to the province of Ontario, but indeed to the whole fabric of Dominion credit, of the legislation to which he calls attention. I think he is, more technically than substantially, wrong in his reference to its being later on submitted for assent to the Governor General of Canada. It does not so come before the Governor General of Canada. What I apprehend is in his mind is the fact that in respect of provincial legislation there resides in the Governor in Council, by virtue of the British North America Act, a power of disallowance.

Hon. Mr. CASGRAIN: Veto.

Right Hon. Mr. MEIGHEN: So the question really is, what would be the attitude of the Government in the event of the legislation passing. Obviously it is too soon to make a statement, even if this were the proper body in which to make it. On the one hand, the Government would have to consider the interests of the entire Dominion and the threat and challenge to its integrity; on the other hand it would have to consider the all but universal wisdom of allowing every Government to take the consequences of its own acts.

COMBINES INVESTIGATION ACT AND CRIMINAL CODE AMENDMENT BILL

MOTION FOR SECOND READING

Hon. J. P. B. CASGRAIN moved the second reading of Bill G, an Act to amend the Combines Investigation Act and the Criminal Code.

He said: Honourable members, when this Bill came up for first reading there were clamourous demands for explanations, but in the Senate of Canada explanations are not customary at that stage. I intend to make them now, on the second reading.

Yesterday I said that I was very diffident about this thing. I am much more diffident to-day, because, as I might just as well inform this House, since yesterday I have been thinking over and studying the matter and I find it is much more serious than I had thought. It touches every business in our land. The more I study the present Combines Act the more I regret on this occasion that I am not a lawyer, there are so many legal questions involved. I regret still more that I am not a business man, for the present law affects every business in Canada, as I have said. I hope that all honourable gentlemen who are fortunate

enough to be lawyers will have some indulgence towards a surveyor who once more is encroaching on their precincts, and I trust they will be charitable enough not to expect me to discuss legal points with them.

Hon. Mr. McMEANS: You can do it pretty well.

Hon. Mr. CASGRAIN: I cannot do that. I admit that I am not equipped to do it, and I think it would not be chivalrous to ask me to try. But I will say this. The Bill itself has the approval of those whom I at any rate consider the very best legal authorities in this country. I expressed to them regret that I had started this thing, since it involves so many legal points, but they encouraged me to continue. So I have to go through with it. I will do my best, and you cannot ask more than that from anybody.

Hon. Mr. MURDOCK: Will the honourable gentleman answer a question?

Hon. Mr. CASGRAIN: No.

Hon. Mr. MURDOCK: Who are the prompters?

Hon. Mr. CASGRAIN: No.

Hon. Mr. MURDOCK: Who are the prompters?

Hon. Mr. CASGRAIN: Mr. Speaker, I appeal to you. I want to paraphrase what is said by the Speaker of the House of Commons when, after his election, he approaches His Excellency here. After saying that in due season and on certain occasions he may want to have communication with His Excellency, he adds, "If I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am." So I say if this Bill is not explained properly, blame me, not the Bill. It has been prepared carefully by competent persons, and I would not for one moment have this House think—

Hon. Mr. MURDOCK: Who prepared it?

Hon. Mr. CASGRAIN: I consulted counsel learned in the law and I am the poor proponent of the Bill. That answers the question. Each time the motion for second reading of the Bill was postponed some of my lawyer friends gave me so much legal advice that now I am more embarrassed than I was at first.

The Senate was created by the British North America Act for the purpose of exercising judicial impartiality in revising measures sent to it from the other House and protecting provincial rights. We senators are appointed by the Crown and for life. So we have no fear of clamorous constituents; we are absolutely free to exercise our independent judgment. I for one think that an elective Upper Chamber is absolutely useless, and I do not have to go very far on this continent to demonstrate that. Human nature is frailty itself. If we had an election staring us in the face, could we be as independent as we are? I leave it to the conscience of any honourable member whether in our desire to be re-elected we should be the free agents that we are to-day. I doubt it.

I do not think that all members fully appreciate the great honour that has been done them in their being called to the Senate. There are less than 100 senators in relation to a population of 10,000,000. Therefore every one of us represents many more than 100,000 souls, and we supposed to look after their interests. It is a signal honour to be called to this august Areopagus. We do not use our full powers, but if we did we could rule this country—until we were abolished. We have much greater power than the Senate of the United States. Who takes very much interest in the debates of the House of Representatives? Everybody reads the debates of the American Senate. We ought to be proud to be members of this House, and we should consecrate ourselves to the task that lies before us. There is not one senator, however humble he may be, who cannot do his mite to help Canada and help the locality from which he comes.

Now, as I have said, I consulted my legal friends about this Bill. Before I discuss it section by section I desire to state why I introduced the measure. It is common knowledge, and witnesses have so deposed at public inquiries, that in some respects the Combines Investigation Act was affecting quite the opposite of the purpose for which it was enacted; that in some cases it operated so unjustly as to be detrimental to the public that it was intended to serve. On reference to the Act, Chapter 26 of the Revised Statutes of Canada of 1927, it will be noticed that it does not contain any definition of a combine. Combines of an indicated kind are in the Act described as "combines." Does that help us at all to know what constitutes a combine? We might as well be told that a "horse," whether of the male or female sex, in colour a bay or a grey, and so many hands high, shall be described as a "horse."

It occurred to me that the people of Canada did not want to restrict combines merely because they were combines, for to do so would in many instances restrict industry and make criminals out of industrialists, not only without advantage to the public, but to its detri-

ment, I concluded that what was really needed, if an Act designed to prevent combines was needed at all, was an enactment to curb bad combines. I may say in passing that as to England I can find no record of legislation against combines. In my view what was needed was an Act restricting or crushing bad combines, but not extending to what I would call good combines.

Any agreement in restraint of trade made by two or more persons is a combine. An individual may restrain trade as much as he likes. For instance, our colleague from Calgary (Hon. Mr. Burns)—may I be allowed to say?—is supposed to have 30,000 head of cattle. He can do what he likes with those cattle: he can keep them, he can sell them, he can give them away. Supposing two neighbours of his, ranchers, not wealthy as he is, combine their resources and hold 3,000 head of cattle, only one-tenth the number owned by the honourable senator, they may be sentenced to gaol under the law as it is to-day.

Hon. Mr. MURDOCK: Nonsense.

Hon. Mr. PARENT: If it is a proper combine it is all right; if it is an undue combine it may be penalized.

Hon. Mr. CASGRAIN: Now, it seems to me that an individual can restrain trade as much as he likes. Under the Act it would be easy for a person to acquire six or seven corporations and merge them into one and do just as he pleases; yet if those corporations continue as separate entities, but combine together for common action, the various executives render themselves liable to a gaol term. If two individuals or two corporations agree to restrain their trade they become members of a combine.

Good combines are not only possible, notwithstanding the Combines Investigation Act, but even Governments have encouraged their creation. Do honourable members recollect the Wheat Pool? If that was not a combine, what is? The Wheat Pool dealt a blow to the wheat trade of Canada under which it still reels—how long it will reel I do not know. They lost the wheat market of England, because an Englishman objects to being coerced. When the Wheat Pool could have got a price of $1.40 a bushel they held out for $2. The Englishman never said a word, but he did not buy our wheat. The Wheat Pool sent their manager, a Mr. Smith, to England to sell their wheat, but he had no success, because the wheat brokers of England, men whose fathers and grandfathers had been engaged in the business, were not going to be gypped out of their commissions. They said, "We will make other arrangements." And, to our sorrow, they have made other arrangements.

Have honourable members forgotten the paper combine, organized to raise the price of newsprint? Some of the manufacturers were forced into the combine by Government pressure. That is happening to-day in our own province.

Have honourable members forgotten the recent exhortations of various committees and commissions to business men: "Why don't you get together and remedy trade conditions as best you can? Why don't you clean up your industry?" Have we forgotten the answer? "We are not free to do so. We are restrained by the criminal law. You present us with a Combines Investigation Act and section 498 of the Criminal Code, which enumerate a number of things that we cannot agree to do, and if we do agree to act we are criminals. You say you do not forbid us absolutely to agree to do these things; you only forbid us to do them unduly. We cannot know whether we have acted unduly until the courts have spoken, and they can speak only to persons who have been accused as criminals. We have no desire to run the risks involved."

When business men say that, they mean they cannot safely make arrangements among themselves to stabilize industry or remedy abuses, for fear that in doing so they might infringe some specific provision of section 2 of the Combines Investigation Act or of section 498 of the Criminal Code. The result is, it is said, that not being free, for example, reasonably to restrain competition as among themselves, they join together in one corporation or trust, and after doing so they can act practically as they please. If this is so, an Act that was designed to ensure competition is operating to destroy competition.

With these considerations in mind I began to wonder whether the difference betwe n a good combine and a bad one could not be so simply stated in a statute that anybody could understand it. It seemed to me that the test of the goodness or badness of a combination of business men was whether what they proposed to do was, under all the circumstances, reasonable. I consulted my lawyer friends, and, to my pride and joy, they told me that I had the right idea—

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Well, it is something to have the right idea.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: —and that the word of the law that distinguishes lawful from unlawful restraint of trade is the word "unreasonable." That is, apart from statute, a restraint of trade is not unlawful unless it is unreasonable. They told me, too, that there were decisions by the hundred under which it was possible to ascertain in any given case what was reasonable or unreasonable. As nearly as I can remember, they told me that if the restraint of trade agreed upon was in the interest of those who agreed, with the desire to benefit their craft or business, but without intent to injure the public, the law, apart from statute, regarded such restraint as reasonable and lawful; that only unreasonable restraints of trade are unlawful at common law, and that agreements to restrain trade unlawfully are criminal conspiracies.

I think that what I have said sufficiently explains the first section of this Bill. I might add that its terms are quite general. They are wide enough, I think, to cover all that we now have in the Combines Act and the Criminal Code, but they are more easily understood.

The second section of the Bill is one that should be welcomed by employers and employees alike. For many years employers as well as employees have had the right to organize themselves into associations. This is convenient when it is necessary to negotiate a collective bargain as to wages or working conditions. The Combines Investigation Act has all along expressly exempted workmen or employees, as such, from the operation of the Act. Clause 2 of the Bill, by the addition of the words underlined, extends to employers, as such, the same exemption from the operation of the Act as has been enjoyed by the employees.

I have been told that the right of a number of employers to join in a common agreement with the employees of all of them has been doubted. Clause 2 will in any event remove any doubt as to this matter. It is at least as much in the interest of the employees as of employers that clause 2 of the Bill should be passed.

The third clause of the Bill is designed to remedy for the future a certain construction that has been placed upon the Act by the courts. This clause practically says that no person shall be found guilty under the Act unless he is guilty in fact under it. This may sound like nonsense, but it is just what I want the Bill to be understood as saying. There is need for the Bill to say so.

Now, subject to correction, I am going to make a statement which I have had no chance to verify, but which any lawyer in this House can verify for himself. If I knew where to look in order to do so, I would verify it myself. Two or three years ago two officers of a trade association in the province of Ontario were charged under the Combines Investigation Act with being members of a combine. They were tried by the late Mr. Justice Wright, and acquitted. I want honourable members to note that word. They were acquitted on the ground that they had not been party to nor had knowledge of any illegal act done by their association or any of its members; also, that their association was not originally designed to operate in restraint of trade. The case was taken to the Court of Appeal, which decided, and the Supreme Court of Canada upheld the decision, that the two officers in question were, under the terms of the Act, guilty in law—legal gentlemen will appreciate what that means—and, although they lived and carried on business in Toronto, responsible for certain unlawful acts of which they knew nothing, and which were committed by fellow members at Windsor, some 200 miles or more away. The Appeal Court convicted these acquitted men, innocent though they were in fact, as persons guilty in law, and fined them $4,000 each. The men were poor and were ruined by the fine. They had no redress. I do not want that sort of thing to occur again in Canada. It is not creditable to us. The Senate of Canada is supposed to revise all legislation.

At this point I might ask why it is that we have the great British Empire to-day. It is because of its just and equitable laws, because people in every latitude and longitude of the world have had confidence that in our courts the humblest and the poorest would be treated in the same way as the mighty, the superb and the wealthy.

As a result of the terms of Canadian legislation the incident that I have referred to did in fact occur, as anybody can discover by reading the case of the King against Belyea and Weinraub in the Ontario Law Reports. My legal friends can find out whether what I say is true or not.

The fourth clause of the Bill is designed to remedy what seems to me to be an abuse of the Criminal law. It has become a universal practice in the trial of persons accused of violations of the Combines Investigation Act to charge them with, and also to convict them of, offending against section 498 of the

Criminal Code of Canada. Thus, for one act, or upon one set of circumstances, an accused person may be convicted of two crimes. Beylea and Weinraub, for example, although acquitted on the facts, were each convicted on appeal and fined $2,000 under the Criminal Code and $2,000 under the Combines Act, or $4,000 each. There is something revolting about that if true, and as section 498 of the Criminal Code, first enacted in 1889, 46 years ago, applies only to agreements in restraint of trade in articles of commerce, and clause 2 of this Bill covers restraint of trade in general, I suggest that section 498 of the Criminal Code ought to be repealed.

I should like to restate the point made by me at an early stage of my remarks, that even a combine in restraint of trade can be a good thing as well as a bad thing, and that reasonable restraint of trade may be not only desirable in the interest of a trader, but necessary in the interest of the public.

Now, honourable members, I have here a report on restraint of trade issued by a committee appointed by the Right Hon. Lord Sankey, G.B.E., Lord Chancellor, and the Right Hon. William Graham, M.P., President of the Board of Trade. I warn the Senate that I have no less than thirty odd questions here, the discussion of which will take a long time. These questions could be much better debated in committee. If the right honourable gentleman who leads this House so well would agree to having the Bill sent to committee, it could be killed there as well as anywhere else. Shall I keep on?

Right Hon. Mr. MEIGHEN: I cannot dictate to the honourable member.

Hon. Mr. CASGRAIN: As I have said, I have a very long report, which would take at least an hour and a half to read.

Hon. Mr. MURDOCK: I rise to a point of order. I suggest that it is entirely improper to attempt to make an agreement as to what is to be done with this Bill. I think the Senate itself should determine that point when the time comes to deal with the motion which the honourable gentleman is debating.

Hon. Mr. CASGRAIN: Then the Senate will have to be prepared to wait for a little while. I only wished to accommodate the Senate. I knew there was to be a sitting of a committee after our adjournment.

This report was prepared with the greatest of care, the committee having been appointed, as I said, by the Right Hon. Lord Sankey, G.B.E., Lord Chancellor, and the Hon. William Graham, M.P., President of the Board of Trade. The President of the Board of Trade now is the Right Hon. Mr. Runciman. As everybody knows, the Board of Trade in England is part of the Government of the day.

This report is rather lengthy, consisting of some thirty pages. I intend to read only the marginal notes, as it were.

Survey of the subject. The trade practices which we were required to investigate are of the following kinds:—

(a) those which result in withholding from particular retail traders supplies of goods in which they wish to deal.

I will explain that, though the explanation may take a little time. That means that the owner of an article can refuse to sell it to another person because he does not think the other's credit is good, or because he does not know that the other is running his store efficiently and doing good business. Furthermore, the owner of the goods can refuse to sell them at all. That is his business.

Then I come to paragraph (b):

—those which prevent the resale of such supplies except upon conditions imposed by the suppliers.

That is a long story. A manufacturer has some goods; he has spent a great deal of money in advertising them, and when he disposes of them to the wholesaler he tells the wholesaler there is more at issue than the real value of the goods. I will take as an example an old colleague of ours, Senator Fulford. He, as you know, made Pink Pills for Pale People, and spent a couple of million dollars a year in advertising.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Well, the right honourable senator from Eganville (Right Hon. Mr. Graham) will back me up in this. He spent a couple of million dollars a year in advertising those pills, and in the price that he fixed on them he included the cost of the advertising. Nobody can deny that. The pills themselves were in little wooden boxes that you could make at the rate of ten for a cent.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: The pills worked very well, and for a very good reason.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. MURDOCK: Those pills were to relieve combines, were they not?

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Talk about spread! The original cost was not very much, but advertising increased the cost, and everyone

who bought them had to pay a certain price for them. Senator Fulford sold them to the wholesaler, with whom he made a contract that they should be sold to the retailer at a fixed price. I may say that he was doing less business in Canada than in 29 other countries on the face of the earth. The wholesaler would make a bargain with the retailer that the retail price was to be so much, and if the retailer increased or lowered this price the wholesaler had recourse against him. But Senator Fulford had recourse only against the wholesaler.

I will read now what the committee said about the existing law on the subject of restraint of trade in England:

It is desirable here to state what we believe to be the law on the subject with which we are asked to deal.

A man has the right to trade as he pleases. A manufacturer or merchant may refuse to sell his goods to anyone who wishes to buy them, or he may sell them on such conditions as he thinks fit to impose. If the buyer of goods who has acquired those goods subject to terms or conditions subsequently deals with them in a manner contrary to the terms of his agreement he commits a breach of his contract with the seller, and the seller has a right of action against him.

The right to combine in defence of, or in support of, trade interests is recognized just as is the right of a man to contract with whomsoever he pleases.

If the real purpose of the combination is, not to injure another, but to forward or defend the trade of those who enter into it, then no wrong is committed, and no action will lie, although damage to another ensues, provided that the purpose is not effected by illegal means. To put it in another way, there is nothing illegal in an agreement by a number of manufacturers to the effect that they will only supply goods to a trader who observes conditions which they think right to make part of the bargain of sale of such goods: and, apart from an express contract, no trader has any remedy against a manufacturer who refuses to supply him with goods.

In the case of a patented article a patentee is in a stronger position than the ordinary manufacturer whose case is dealt with above in that, if at the time of making his contract a sub-purchaser of the patented article has notice of conditions attached by the patentee, he is bound by them, and if he deals with the articles in breach of the conditions attached by the patentee and of which he, the sub-purchaser, has notice an action will lie for infringement of the patent.

Dealing with the extent of the practice of resale price maintenance, the committee said:

We found that the imposition of conditions upon retailers and wholesalers regarding the resale prices to be charged is a widespread and growing practice among manufacturers; and that it is common to enforce the conditions where necessary by threat of individual or joint boycott, or by actual boycott.

Hon. Mr. CASGRAIN.

The system varies in detail from trade to trade and it seldom affects the whole of a trade, while in many cases it affects only a small part. Among the trades in which it is most prevalent are books. For instance, Lady Minto has just published a book, which is being sold for $6 the world over. Will anybody say that is wrong? If people do not want to buy the book they are not compelled to, but if they want it the price is $6. Yet the cost is probably not more than one dollar. There is a big spread in that price. A committee which was sitting not far from here and dealing with price spreads might have taken up the question of Lady Minto's book. Other trades in which the committee says the system is most prevalent are:

newspapers and periodicals, stationery, drugs, photographic goods, gramophones and records, motors and cycles, tobacco and cigarettes, confectionery and groceries.

I am reading only part of this report. If you want to regulate businesses you will have to pass a separate law for nearly every one of them. Take confectionery, for instance. The more stores there are in a town selling the products of a manufacturer, the better he will like it. But it is just the reverse in many other lines of goods, which manufacturers will permit wholesalers to sell only to a restricted number of retailers in a community. The efficient storekeeper who puts on a good window display and knows how to push sales can get the goods, but the sluggard who keeps a poor store will not be allowed the privilege of handling them.

The report says that the system is prevalent in the newspaper trade. I was in the newspaper business eight years and I did not know that. Newspapers are desirous of getting the largest possible circulation, but in England they will not sell through stores. Some publishers will sell through co-operative stores, but most will not. As a rule their sales will be larger if they are made mostly through newsboys. There is in the newspaper business the practice of sale and return. Some newspapers that are not very well known—the Montreal Herald was like that for a while—will say to a newsboy, "You can have a dozen copies if you pay for them, and we will give you your money back for any you do not sell." Then there is a limit to the distances from the place of publication at which newspapers may be sold.

I may as well tell the House at once that the gist of the report is that any attempt to restrain trades such as those mentioned would do more harm than good.

If honourable members will bear with me, I shall not be very much longer. Perhaps I might better hold back all this ammunition for our committee. Of course it is not my fault if I am keeping the Senate in session. Everybody knows whose fault it is.

The report goes on to say:

In general the goods which are thus price maintained belong to the class of branded goods which are distinguished by bearing the manufacturer's proprietary label or trade mark.

Naturally the producer who owns a trade mark sets a price for his goods. People think they are not getting the genuine article unless it is branded.

Branded goods which are widely advertised are, however, nearly always price maintained, and the system of price maintenance is clearly associated not only with the proprietary label or trade mark, but also with the advertisement.

Because of their uniform quality, branded articles are specially liable to be used by the retailer as leading lines; and although the retailer may be compensated on his trade as a whole, the interests of the individual manufacturer, who has given the goods their brand and their advertisement, are prejudiced in the manner explained below.

The next section of the report deals with effects of price cutting on retailers and manufacturers, but I will not read that just now. I will make a reference to something that I know from my own experience. Take Fellowe's Syrup. In some drug stores it sells at $1.50 a bottle, in others at $1.25, but the cut-rate stores sell it at 99 cents. Many people think that what they buy for 99 cents is not genuine, although it bears the trade mark. The consequences are that in time all the druggists suffer because some people lose faith in the medicine. And, by the way, it is an excellent remedy. I was paying $1.50 for it, but I found that a drug store on St. Catherine Street in Montreal was selling for 99 cents exactly the same article, which produced the same good effects. Cut-price businesses last only a comparatively short time, because in the end they find their profits are too low.

Then the committee says:

In some cases where goods are distributed through wholesale firms manufacturers specify not only the retail prices, but also the trade price chargeable by the wholesaler to the retailer. The latter price, like the former, may be either a definite price or a minimum price.

We sometimes hear of the high cost of committee reports. Well, honourable senators may be interested to hear that this valuable report cost only £138-19-8, of which £27-6-0 represents the cost of printing and publishing. And a copy may be purchased for 9 pence.

The report deals with the treatment of co-operative societies, but I will not read that now. However, here is one point. The co-operatives agree with manufacturers and wholesalers to sell goods at a certain price, but the co-operatives cheat. I mean that they pay dividends to their members, or they give you a discount at a certain rate if you pay your bills weekly, or at another rate if you pay them monthly.

The next section of the report deals with the method of enforcement. That is long; so I will try to summarize it. When a retailer does not abide by his agreement to sell at a certain price, the manufacturer does not go to law with him. The retailer is simply told that he will not be able to obtain any more of those goods.

Then under the heading of "Trade Associations" the report says:

The difficulties encountered by individual manufacturers seeking to maintain resale prices has led in a number of trades to the formation of associations for the purpose of detecting and putting a stop to price cutting. The oldest of the associations in question are the Proprietary Articles Trade Association in the drug trade and the Publishers' Association in the book trade.

Proprietary articles are medicines and so on that are sold by druggists. It may be that the actual cost of a certain medicine is less than the value of the vial, the label and the cork. That may seem outrageous, but perhaps research work had been going on for years and years before the article was perfected. Very heavy expenses may have been incurred by the manufacturer in developing a satisfactory formula, and he has to be compensated.

As to the Proprietary Articles Trade Association, the report says:

The Proprietary Articles Trade Association consists (June, 1930) of some 440 manufacturers, 63 wholesalers and 8,700 retailers trading in proprietary drugs and other articles sold in chemists' shops. It was formed 35 years ago mainly for the purpose of putting a stop to price cutting of proprietary goods, which was at that time very severe, and of preventing "substitution" (i.e. the practice of persuading customers to buy articles carrying a larger profit in place of the particular articles demanded).

The Association regards as price cutting the payment by a co-operative society of dividends upon purchases made by its members.

Price-fixing in the motor trade is maintained by means of a stop list. This list is in four sections covering cars, tires, petrol, and accessories.

Now I come to the fixing of the retailer's profit:

If an article is one of popular use, for which there is a good demand, the retailer's margin is likely to be fixed at a lower figure than if the article is one of a special kind and of limited demand, because in the latter case the presumption is that cost of distribution per unit is relatively high. In particular cases, where a manufacturer has something approaching a monopoly, and where the interest of the public in the article is assured by advertising or owing to the article being in common use, the retailer's margin may be reduced to a small percentage.

In 1918 the Hon. Mr. Geddes, President of the Board of Trade, when Minister of Reconstruction, appointed a committee of twelve, consisting of representatives of all parties in the British House of Commons on an equal basis, including four Socialists or Labour members, of which the then Sydney Webb, now a peer, was one. The committee was appointed to study trade organizations and combinations in the United Kingdom. It reported under the heading "Report of Committee on Trusts." The report (9236) is to be found in Accounts and Papers of 1918, Volume 12, at page 789. It was unanimously against enacting any law such as our Combines Act, restricting combinations of men of business.

The Socialist party concurred in the report and added these expressive words:

We have signed the above report because we find nothing to disagree with in its recommendations.... We do not suggest any action be taken to prevent or obstruct combination or association in capitalist enterprise. Apart from the experience that no such interference can be made effective, we have to recognize that association and combination in production and distribution are steps in the greater efficiency, the increased economy and the better organization of industry. We regard this evolution as both inevitable and desirable. It is, however, plain that the change from competitive rivalry to combination calls for corresponding developments to secure for the community both safeguards against the evils of monopoly and at least a share of the economic benefits of the better organization of industry which it promotes.

The position of the wholesaler is stated in these words:

The wholesaler is under modern conditions in many trades a factor of diminishing importance, the tendency being increasingly for manufacturers to sell direct to retailers.

Witness the T. Eaton Company. It can buy from the manufacturer probably cheaper than can the ordinary wholesaler, because it buys in such huge quantities. Consequently it can sell the goods cheaper. Who benefits? The public—the poor working man benefits.

As to the consumer the report states:

The position of the consumer in relation to price maintained goods is similar to that of the retailer in so far as he can refuse to buy any particular brand of goods and buy instead other brands or, where such exist, non-branded goods.

In other words, the consumer does not need to buy any particular brand.

Regarding control practices the report states:

It is quite common for individual manufacturers to sell their goods, not to all retailers who wish to stock them, but only to a limited number in any given area, particular retailers being chosen with reference to location or to their probable efficiency and suitability in other ways.

That is, they can afford to pay for the goods.

The report deals with the disadvantages of the system of price maintenance and proceeds:

It must be recognized that the price maintenance system has disadvantages from the point of view of the public, though in our opinion such disadvantages are incidental and are not such as would justify a withdrawal of the right of the manufacturer to sell his goods subject to conditions as regards prices to be charged on resale....

Another result is that the retailer is prevented from selling to the public at a lower price even though he can afford to do so: as an offset to this the public are protected by the fixing of prices from unduly grasping retailers who might put up the price because of the sudden demand or for other reasons....

It has been further suggested that if price maintenance were abolished the less efficient shops, and particularly the smaller shops, would be driven out of business; and that in the end the standard of efficiency in retailing would be generally raised to the advantage of the community as a whole....

The mere replacement of a large number of small shopkeepers by stores and multiple shops would be of no advantage to the public unless the stores and multiple shops were able and willing to serve the public more cheaply or more efficiently.

A great cry was raised in another place that our retail chain stores did not give correct weight. That has nothing to do with any defect of the law. We have the Weights and Measures Act, and it should have been enforced.

The committee reached this conclusion as to the system of price maintenance:

Our general conclusion regarding the broad principle of maintained resale prices for branded goods is that no sufficient case has been made out for interfering with the right of the manufacturer to sell his goods upon conditions which permit him to name the terms on which such goods should be resold. We have dealt with some of the disadvantages and drawbacks of the system, and we must not be taken as finding that the prices charged to the public and the margins allowed—

That is the spread in another place.

—to the retailer are in all cases reasonable, but we are quite unable to say that the interests of the public would be better served by an alteration of the law which would prevent the fixing of prices of branded goods.

The committee dealt also with the tobacco trade. We have heard a lot recently about this trade in Canada. They state:

In the tobacco trade, as in other trades, widespread price cutting can probably be controlled by effective organization and co-operation among the different sections of the trade.

There is just one more point, and that is service. I passed it while dealing with other phases of the report. Service makes a great difference in business. For instance, a lady goes into a shop and buys an article, and she is told: "Madam, if you do not like this article you can return it, and we will give you back your money; or if you cannot come to the store again just phone us what you paid for the article and we will send a messenger to take it back and refund you the money." That is what is called "service." Take the photographic business. Manufacturers sell cameras only to chemists and optical stores, because the men operating those stores are well qualified to instruct their customers in the use of the apparatus. They tell a customer, "If this camera does not work properly bring it back and we will show you how to use it." That again is service.

Now I come to the general conclusions of this report. I have read, as it were, only the marginal notes of the report. The conclusions were reached by these prominent gentlemen: Mr. Wilfrid Arthur Greene, K.C., chairman; Mr. Alexander Johnston, J.P.; Professor David Hutchison Macgregor, M.C.; Mr. William E. Mortimer; Mr. John Edward Singleton, K.C., and Mr. Alexander George Walkden, J.P., M.P. Their conclusions may be summarized in a sentence: any attempt to pass legislation would do more harm than good.

Hon. RAOUL DANDURAND: Honourable senators, I must congratulate my honourable friend on the industry with which he has explored the wide field covered by his remarks. But he has not convinced me that there are any valid reasons for amending subsection 1 of the Combines Investigation Act. The section reads as follows:

(1) Combines which have operated or are likely to operate to the detriment or against the interest of the public, whether consumers, producers or others, and which

(a) are mergers, trusts or monopolies, so called; or

(b) result from the purchase, lease, or other acquisition by any person of any control over or interest in the whole or part of the business of any other person; or

(c) result from any actual or tacit contract, agreement, arrangement, or combination which has or is designed to have the effect of

(i) limiting facilities for transporting, producing, manufacturing, supplying, storing or dealing, or

(ii) preventing, limiting or lessening manufacture or production, or

(iii) fixing a common price or a resale price, or a common rental, or a common cost of storage or transportation, or

(iv) enhancing the price, rental or cost of article, rental, storage or transportation, or

(v) preventing or lessening competition in, or substantially controlling within any particular area or district or generally, production, manufacture, purchase, barter, sale, storage, transportation, insurance or supply, or

(vi) otherwise restraining or injuring trade or commerce, are described by the word "combine."

My honourable friend desires to replace this definition by these four paragraphs:

(1) "Combine" means a combination of two or more persons which is formed by way of actual or tacit contract, agreement or arrangement and which—

(a) at the time when formed is designed by the members thereof to restrain unreasonably trade or commerce, against the interest of the public, whether consumers, producers or others; or

(b) although it is not, at the time when formed, designed as in subparagraph (a) mentioned, is afterwards operated to restrain unreasonably trade or commerce, against the interest of the public, whether consumers, producers or others; or

(c) is a conspiracy in restraint of trade or commerce.

When I compare the old section with the section of the Bill I must declare my preference for the very clear language of the Act. The Combines Investigation Act has been on our Statute Book a number of years and has been invoked in a number of cases. Undoubtedly it has acted as a deterrent against over-ambitious or grasping persons, and up to the present I have not heard of any complaint of the wording of the section which my honourable friend seeks to amend.

My honourable friend also desires to amend section 4 of the Criminal Code, which reads:

Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees.

This exception is made to allow employees to maintain their labour unions in order to promote their interests. My honourable friend would amend the section in this way:

Nothing in this Act shall be construed to apply to combinations of workmen or employees, or of masters or employers, for their reasonable protection as such workmen or employees or masters or employers.

I contend that the proposed amendments would destroy both the letter and the spirit of the Combines Investigation Act and of this section of the Criminal Code. It would open the door to the formation of all sorts of trusts and mergers.

My honourable friend has said that the Senate of Canada is independent and does

not have to look to the people for its maintenance. But it must see the signs of the times and recognize them. I have heard of no demand for a loosening up of legislation such as would be effected by the Bill before us. On the contrary, a considerable body of public opinion is favourable to a tightening up of the law prohibiting combines and mergers, and to a strengthening of the Combines Investigation Act.

My honourable friend knows that a Royal Commission has been examining into mass buying and price spreads. This inquiry has created considerable commotion in the country. I am not prepared to say what conclusion we should draw from the investigation that has been going on, but I know the present Government has stated in the Speech from the Throne that measures will be submitted to us, not in the direction indicated by the honourable gentleman's proposed legislation, but in a contrary direction. Here is what the Speech from the Throne says:

> You will be invited to enact measures designed to safeguard the consumer and primary producer against unfair trading practices and to regulate, in the public interest, concentrations in production and distribution.

As I see it, the Government fairly expresses, in a general way, the view of the public that legislation of this kind should be tightened rather than relaxed, and I feel that the country is not at the moment looking for a betterment of conditions by a movement in the direction indicated by my honourable friend. For this reason I intend to move, seconded by Right Hon. Mr. Graham, that this Bill be not now read a second time, but that it be read this day six months.

The proposed amendment of Hon. Mr. Dandurand was agreed to.

EASTER ADJOURNMENT

Hon. Mr. BELAND: Before the right honourable gentleman moves the adjournment, may I ask if he would care to give the Senate some intimation as to the probable date of adjournment for the Easter recess? Some honourable members would perhaps like to make arrangements in connection therewith.

Right Hon. Mr. MEIGHEN: I think the recess usually commences on the Thursday preceding Easter. That would be two weeks from Thursday.

Hon. Mr. BELAND: From to-morrow.

Hon. Mr. DANDURAND.

Right Hon. Mr. MEIGHEN: That is, it would commence two weeks from to-morrow. I certainly have no intimation from the Acting Prime Minister or any authoritative source that it will be earlier this year.

Hon. Mr. BELAND: And as to the length of the adjournment?

Right Hon. Mr. MEIGHEN: I cannot make any statement as to the length of the adjournment, but I have asked to be advised as soon as there is any decision on the matter, so that this House may receive the information as soon as the other does. I have seen something in the press, and as a matter of fact I do not know any more about the subject than I have read.

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

THE SENATE

Thursday, April 4, 1935.

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

Prayers and routine proceedings.

CANADIAN NATIONAL STEAMSHIP REPAIRS

INQUIRY

Hon. Mr. FOSTER inquired of the Government:

1. Have there been any Canadian National steamships repaired in United States shipyards?

2. If so, what is the name or names of the ship or ships upon which such repairs were made?

3. If so, what was the amount paid for such repairs?

4. If so, were such ships so unseaworthy that they could not proceed to a Canadian drydock?

5. Is the Government aware that there is a drydock ship repair plant at Saint John, New Brunswick, such drydock being the largest on the Atlantic coast and efficiently managed and subsidized by the Government?

6. Are there any reasons why Canadian drydocks or shipyards should not be given the repair work on Canadian National steamships?

7. Does the Honourable C. P. Fullerton, K.C., Chairman of the Board of Trustees of the Canadian National Railways, make an annual report of the activities of the Board, and if so, will such report soon be made available?

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

1. Yes.

2. Since the year 1927 two vessels of the Canadian Government Merchant Marine have undergone repairs at drydocks in the United States, viz., the Canadian Highlander and the Canadian Britisher.

3. Including drydocking, painting and repairs, the figures were:

Canadian Highlander..	$ 5,702
Canadian Britisher..	2,529
	$ 8,231

4. No.

5. The Government is, of course, aware of the excellent drydock facilities available at Saint John. The matter of repairs is entirely in the hands of the management at Montreal, but the Government, so far as its influence extends, insists upon repairs (other than emergent repairs en route) being executed in Canadian ports and drydocks.

6. Under ordinary circumstances, no; but, under the special circumstances of these two cases, the management of the Steamships claim there were.

7. Report of the Board of Trustees has been tabled in both Houses of Parliament.

EXPIRY OF PRESENT PARLIAMENT

INQUIRY

Hon. Mr. FOSTER inquired of the Government:

1. What is the date upon which the life of the present Parliament will automatically expire?

2. What is the latest date upon which a general election must be held?

Right Hon. Mr. MEIGHEN: The answer to the honourable gentleman's first question is: five years from the date of the return of the writs for the election of the present House of Commons. The question then is: What was the date of the return of the writs? The date named in the proclamation for the return of the writs was the 18th of August, 1930. The Yukon writ was not returned, I believe, until September 8, 1930, but invariably the practice has been to consider the date named in the proclamation the date of the return. According to that practice the expiry would be on August 18, 1935.

Hon. Mr. DANDURAND: What was the date of the Yukon writ?

Right Hon. Mr. MEIGHEN: September 8, 1930.

Hon. Mr. DANDURAND: When was Parliament convened?

Right Hon. Mr. MEIGHEN: I do not remember. I did not adorn the House in those times.

The second question is: "What is the latest date upon which a general election must be held?" In the British North America Act there is no such date fixed, nor is there a date fixed within which the writs must be issued. Both are governed by certain stern necessities. Section 20 of the British North America Act provides that Parliament must sit at least once a year; so that twelve months may not intervene between the last sitting in one session and the first sitting of the next session. That is the first stern necessity. The second is supply.

Hon. Mr. DANDURAND: And the third may be the tradition.

Right Hon. Mr. MEIGHEN: The tradition, if there is any, will be honoured in observance.

Hon. Mr. DANDURAND: In April, 1896, Parliament expired by effluxion of time, and the elections took place on the 23rd of June following. That is one instance.

FRASER RIVER BRIDGE

ORDER FOR RETURN

Hon. J. D. TAYLOR moved:

That an Order of the Senate do issue for a return showing all correspondence to and from the Department of Public Works with respect to an application for approval of the plans of a bridge across the Fraser river, proposed to be constructed by the Government of British Columbia.

The motion was agreed to.

WHEAT POOL HOLDINGS

CORRECTION OF NEWSPAPER HEAD-LINE

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable senators, before the Orders of the Day are proceeded with, I think I should, for the purpose of personal explanation, call to the attention of the House a news article on the front page of that great family journal the Montreal Gazette. I take exception particularly to the heading. The dispatch itself, from Ottawa, while not precisely correct, is not very far astray. I understand the art of writing headlines is one of the real tests of the earning power of news editors. This is the heading:

No danger seen in holdings of wheat combine. Meighen sets July carryover at 100,000,000 bushels. Replies to questioner. Senate Leader believes obligations entailed by Pool unavoidable.

This refers to a statement I made at a meeting of the Committee on Banking and Commerce when dealing with the Relief Bill of this year. As everyone there present is aware, I made no statement that there was no danger in the wheat combine; I made no

statement that the July carryover would be 100,000,000 bushels; I made no statement as to the obligations which the Pool entailed having been unavoidable. I did call attention to assurances given or expectation expressed by Mr. McFarland, who is in charge of the operations, his expectation being, as twice stated, that the carryover would be the figure mentioned here. I made no reference whatever to the Pool having been properly advised in entailing its obligations. Neither does the article to which the head-lines are attached give any basis for such manifestos to the public.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. McMEANS moved the second reading of the following Bills:

Bill P, an Act for the relief of Emma Gelfman Goldman Stokolsky.

Bill Q, an Act for the relief or Albertine Montpellier de Beaujeu.

The Hon. the SPEAKER: Is it your pleasure, honourable senators, that these Bills be now read a second time?

Hon. J. J. HUGHES: No. Honourable senators, the motion for second reading of these Bills gives to honourable members of this House the opportunity to discuss the whole question of marriage and divorce. Many thoughtful persons regard divorce as the greatest national, social and moral evil that we have on this continent, and it is growing. Others go further and believe that it, and the light, frivolous regard in which marital relations are held by many, are the greatest evils that afflict our race.

The little attention I have been able to give to the reading of sacred and profane history has convinced me that divorce and its concomitant evils have often brought terrible and direct scourges upon the world, and have been a leading factor in the decay and final destruction of cities and empires, whose names are now almost forgotten. Is it not possible that history is repeating itself?

I shall perhaps be told that you cannot make men moral by legislation, and I admit there is much truth in the statement. But men can be restrained from evil by legislation. If they could not, there would be little sense in having our Criminal Code. However, legislation can give legal respectability and other assistance to evil actions, which is just what our divorce laws do. Should the Parliament of Canada pass laws of that kind? I may be told that in some circumstances it would be excessive cruelty to compel certain persons to live in wedlock with other persons, and that in such cases the State should intervene to give relief. Perhaps that is true. But even in such cases should the State ever go further than to allow separation from bed and board? Or, in any event, if it goes so far as to grant divorce, should it allow the divorcees to marry, thus putting a premium on divorce? Honourable members of this House and honourable persons in the country who are not given to exaggeration have declared that if the right to marry were not given to divorcees, 80 or 90 per cent of the divorce applications would be eliminated. Would that not be a worth-while reform?

I stated at the outset of my remarks that divorce was increasing. I shall therefore submit some figures to prove that statement. For thirty odd years after Confederation divorces for the whole six provinces of Prince Edward Island, Quebec, Ontario, Manitoba, Saskatchewan and Alberta ran from one to five a year. Then from the beginning of this century until 1920 they averaged about twenty a year for the same provinces. From 1920 until 1930 they grew from 100 to 247 for Quebec and Ontario only. Then, for all of Canada, they grew from 692 in 1930 to 923 in 1933.

This is a state of affairs which I think honourable members should consider carefully. In my opinion every person who reads the evidence given before the Divorce Committee of the Senate must come to the conclusion that in the great majority of cases there is collusion between the parties to the suit, and that in all cases the perjury is appalling.

There are two, and only two, flourishing institutions in the world to-day—the armament factories and the divorce mills. And Canada is doing her share to maintain one of these institutions. Is it not time we thought of what we are doing?

About nine months ago the Toronto Globe had an article on the subject which I think I should read.

Collusion In Divorce

Ontario judges appear to be disgusted with procedure in many divorce cases. Not only is the evidence brought out nauseating, but the method by which too often it is secured is entirely at variance with the administration of justice. Professional spies are making a living by securing proof of guilt, and there has been comment from the Bench on the unreliability of such testimony. In fact, in one instance an application for divorce was rejected altogether because of the manner in which alleged proof of guilt had been secured.

One of the most reprehensible features of the easy divorce scandal in this province is the ever-recurring evidence of collusion between

the parties concerned, and the desire for secrecy. Circuit judges have been amazed to find awaiting them in small centres an array of divorce actions in which the principals were unknown in the locality. After agreement is reached on divorce—always with a view to remarriage at an early date—the next move is to have the hearing in a court remote from the cities, so that there will be the minimum of newspaper publicity.

In Toronto this week, Mr. Justice Jeffrey declared his belief that in 60 per cent of divorce actions brought before the court there was evidence of collusion. He was critical of lawyers who lend themselves to such unethical procedure. Solicitors, said the Justice, should see to it that their hands be kept absolutely clean.

It was, of course, inevitable that all kinds of shady procedure should be associated with the grinding of the divorce mill. When people with no regard whatever for the marriage tie agree to separate, there will be lawyers and witnesses eager to facilitate the necessary legal proceedings. Because of this, judges would prefer to have nothing to do with the sordid business, but the law is there, the divorce courts are in operation, and the actions must be heard.

The people of Ontario had ample warning of the condition that would arise following arrangements for quick and easy divorce. The condition is here, and all thoughtful citizens are ashamed of what is going on. There is sympathy with the judiciary in the position in which it has been placed, but the sorry business has taken root and is flourishing like a noxious weed.

A few months ago I took from one of our Ottawa newspapers this clipping, which represents conditions of another phase of the subject:

Chicago, Jan. 29 — (U.P.) — The Chicago Church Federation, yearning for the spirit of horse and buggy days, complained to-day that whoopee romance and stream-lined weddings have got Cupid a little dizzy.

The Federation, which is the voice of about 300 ministers, turned its ire on the marriage court in the smoke-crusted county building where marriage ceremonies have been "stripped down to the chassis." "We talk about Russia and look what we've got right here in our own city," said Rev. Philip Yarrow, civic relations chairman of the Federation.

"I hate to think how many young people are married in haste in the marriage court and live to regret it in leisure. It's a semi-racket, a hit and run affair."

A mild-mannered squire sits in the little court, within sound of the jingling cash registers of the alimony office, waiting for the young lovers to turn the corner from the Licence Bureau. Each day between 25 and 30 couples come to him and leave for-better-or-for-worse.

It's all very simple—easier and quicker than calling your girl on the telephone.

Shorn of all fancy embellishments, the Marriage Court ceremony is a 10-second ritual.

The judge, having made sure that the $5 fee has been deposited in the outer office, turns to the bridegroom.

"Do you take this woman, whose right hand you hold, to be your lawful wedded wife?"

The judge turns to the bride and repeats the same question—substituting "husband" for "wife."

The couple, not quite sure whether they have been married, are hustled out to Miss Besse Duffy Doane in the next office and given a lithographed card certifying that they have been joined "in the holy bonds of matrimony."

"That's what we don't like," said Rev. Mr. Yarrow, sincerely.

"They get a certificate with the big words 'Holy Matrimony,' but there's nothing holy about it. It's just a cold legal ceremony.

"And the county charges $5 for that. There are a lot of us ministers who'd like a few marriages at $2. And we'd make it a real, holy one, too."

Miss Doane, who shyly confessed that she was studying psychiatry and sociology at night school and finds the Marriage Court "a most interesting place," tries to breathe a little sentiment into the 10-second weddings.

After handing a certificate to a gangling youth in a lumberjack jacket and his gum-chewing bride, Miss Doane said sweetly:

"I wish you much happiness and lots of good luck—

"And Joe! When are you going to empty this waste basket?"

I am afraid, from what I read, that similar conditions exist in some places in Canada. This is a state of affairs over which perhaps neither this House nor Parliament has control, but in view of the conditions which I have described, can honourable members continue to be favourable or even indifferent to what is going on? Can some of us gather our skirts about us and say that we will neither recognize nor touch the unholy thing? As I see it, that is not an attitude worthy either of ourselves or our country. I should be glad to see introduced a Bill to prevent the remarriage of divorced persons in Canada. As I have said, it is claimed that such a law would reduce divorce applications in this country by 80 or 90 per cent. I presume a Bill of that kind should be introduced by one of the prominent legal members of the House, but if no such member is ready to do so I shall deem it my duty to perform the task, should I get any encouragement from the debate which I hope will follow these remarks.

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

JUBILEE CANCER FUND

MESSAGE FROM THE GOVERNOR GENERAL

Right Hon. Mr. MEIGHEN: Honourable members, since the House opened I have received a message, the substance of which I think I should convey. The Acting Prime Minister is in receipt of a telegram from His Excellency the Governor General, informing him that the King has authorized

the announcement that His Majesty wishes the Jubilee Cancer Fund to be regarded as a comprehensive Jubilee gift from all His Majesty's Canadian subjects, including Dominion and provincial governments, and official bodies, and that it is not expected nor desired that any other Jubilee gift, whether collective or individual, be sent to His Majesty.

The announcement is made public in this way at this time because there appears to be some idea that personal gifts will be sent to His Majesty by governments and official bodies at the time of the Silver Jubilee, as has been done on similar occasions. As His Majesty has graciously decided that, instead of any such personal gifts, the contributions to the King George V Silver Jubilee Cancer Fund of Canada shall be regarded as a comprehensive Jubilee gift, the hope is expressed that the people of Canada will support that Fund, not only on account of our great loyalty to and admiration for His Majesty, but also because the money so raised will be used in our fight against cancer, the worst disease from which we are now suffering.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Hon. Sir Lyman P. Duff, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain Bills.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn during pleasure:

Right Hon. Mr. MEIGHEN: Between now and 5 o'clock, when we are to resume for the ceremony of the Royal Assent, the Banking and Commerce Committee will be in session.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Sir Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to provide for a weekly day of rest in accordance with the Convention concerning the application of the Weekly Rest in Industrial Undertakings adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.

An Act respecting Relief Measures.

An Act for the relief of Mary Wynifred Bayford Bennett.

An Act for the relief of Lillian Gurden McIntyre.

An Act for the relief of Minnie Elizabeth Lyons Dafoe.

An Act for the relief of Trevor Eardley-Wilmot.

An Act for the relief of Marie Philomene Florence Maher McCaffrey.

An Act for the relief of Stuart Lewis Ralph Henderson.

An Act for the relief of Charles Henry Campbell.

An Act for the relief of Maria Elphinstone Hastie Kinnon.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

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

The House of Commons withdrew.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, April 9, at 3 p.m.

THE SENATE

Tuesday, April 9, 1935.

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST READING

Bill R, an Act for the relief of Frances Goldberg Joseph.

REMARRIAGE OF DIVORCED PERSONS BILL

FIRST READING

Bill S, an Act respecting Remarriage of Divorced Persons.—Hon. Mr. Hughes.

THE LATE HON. WARREN DELANO ROBBINS

TRIBUTE TO HIS MEMORY

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable members, I know I am only responding to the feelings of all the members of this House when I seek to give expression, in a very few sentences, to the regret we all feel at the death of the United States Minister to Canada, the Hon. Warren Delano Robbins.

Mr. Robbins was, I believe, the third in succession of the Ministers representing in this Dominion, in the diplomatic sense, the great American Republic. Having already served in such high diplomatic posts as the embassies at Paris, Berlin, Rome and Buenos Aires, he brought with him a wealth of experience which dignified his office. Indeed, so exceedingly fine was his experience that Canada was honoured in having a man of his rank as the representative of the United States in this country. Because of the assiduity with which he performed his duty while occupying this post, and particularly because of his only too manifest desire to serve at all times in such a way as to improve the relationship between our country and his own, he endeared himself to the Canadian people. One and all, we highly valued his presence. To his widow and family we extend our very deep and sincere sympathy. We particularly lament his untimely end because of the manner of man he was—because of the charm of his personality, and the acceptability with which he discharged a very important function on behalf of the great country he represented.

Hon. RAOUL DANDURAND: Although, with the exception of a few days in the month of August last, I did not have occasion to meet the Hon. Warren Delano Robbins very intimately, I had reason to realize that he was a diplomat of high rank, a man with a wide outlook on the world at large, and a splendid representative of the neighbouring republic. He had, it seemed, imbibed the milk of human kindness, and won friendships wherever he went. When, in the month of August last, he came to Gaspé for the celebration of the four hundredth anniversary of the landing of Jacques Cartier, he was heard in every centre of Quebec, and by his lingual versatility won the heart of that province.

His sudden departure is a great loss to his country and his family. His name was being mentioned for a still higher position in the diplomatic service. As Victor Hugo has said in his poem A Villequier:

Je sais que le fruit tombe au vent qui le secoue,
Que l'oiseau perd sa plume et la fleur son parfum,
Que la création est une grande roue
Qui ne peut se mouvoir sans écraser quelqu'un.

Our deepest and most heartfelt sympathy goes out to his charming widow, to his family, and to his country.

Hon. H. S. BELAND: Honourable gentlemen, on behalf of the senators who reside in the Capital, and who have had an opportunity of becoming personally acquainted with the late lamented representative of the United States, I seize this opportunity of joining with my right honourable friend the leader of the House (Right Hon. Mr. Meighen) and my honourable friend the leader of this side (Hon. Mr. Dandurand) in the eulogy to which they have given expression. All of us who reside in the city of Ottawa will regret perhaps more than other honourable members the untimely departure of the honourable Minister of the United States.

DIVORCE BILLS

THIRD READINGS

Bill P, an Act for the Relief of Emma Gelfman Goldman Stokolsky.—Hon. Mr. McMeans.

Bill Q, an Act for the relief of Albertine Montpellier de Beaujeu.—Hon. Mr. McMeans.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: Honourable senators, I repeat the intimation that has already been given to members of the Banking and Commerce Committee that the committee will meet immediately after the House rises. I especially wish to point out that we are desirous of concluding this afternoon, if at all possible, our consideration of Bill 15, the Farm Loan Act Amendment Bill.

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

THE SENATE

Wednesday, April 10, 1935.

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

Prayers and routine proceedings.

CANADIAN FARM LOAN BILL

REPORT OF COMMITTEE PRESENTED

Hon. Mr. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 15, an Act to amend the Canadian Farm Loan Act.

The Hon. the SPEAKER: When shall this report be taken into consideration?

Right Hon. Mr. MEIGHEN: Now, with the consent of the House.

Hon. Mr. McMEANS: Honourable members, I have no objection to the Farm Loan Bill, but I should like to call the attention of the Government to one feature. I think the Government would be wise if it formulated some scheme of insurance in connection with the Act. We know that the commission paid on insurance is a very heavy charge on the farmer, and if the Government would consider carrying the risk entailed by the insurance that must go on this $90,000,000 of loans, the farmer would be saved a great deal of money. The Government of course would charge a premium to protect itself against loss.

Hon. Mr. HUGHES: Insurance against what?

Hon. Mr. DANDURAND: If I understand the honourable gentleman, he suggests that the Government assume the risk of the insurance, and collect the premium.

Hon. Mr. McMEANS: Yes.

Hon. Mr. DANDURAND: And pay out whatever—

Hon. Mr. McMEANS: The losses. It is just a suggestion.

Hon. Mr. DANDURAND: So the Government would be going into a further business, that of insurance.

Hon. Mr. McMEANS: It would save a good deal of money for the farmers.

Hon. Mr. CALDER: It might as well go into the implement business.

Hon. Mr. SINCLAIR: The amendments made to the Bill are very extensive, and I suggest that they should be printed in the Minutes and we should have them before us when we are dealing with this matter.

Right Hon. Mr. MEIGHEN: If there is any objection, I shall have to accede to it. We cannot proceed faster than the rules allow. The only reason I suggest the suspension of the rules is this. We are getting on pretty well into the spring, and I am told that seeding operations in Saskatchewan are pending, in considerable measure, on the passage of this Bill. In fact, for the last three weeks there has been strong pressure to get the Bill through. If there is one province in Canada where there is no possibility of getting any money, except out of the Government, I fancy it is Saskatchewan. In saying this I am not intimating, even remotely, that it is the fault of the people; I am referring to the fact that Saskatchewan has suffered from an overwhelming drought and from grasshoppers. Consequently, if the House sees fit, I should like to have these amendments adopted now. I know it is impossible for honourable members who were not on the committee to have a very intelligent grasp of the amendments, which are very numerous. The Bill is almost rewritten. I fancy it will be about double the size it was when it reached us, but I think it is now legislation rather than a draft. I know honourable members from Saskatchewan are eager that the Bill should be passed, and if honourable senators can see their way to accept the amendments, I should be glad to have them do so. If they cannot, of course, I must accede to the request for postponement.

Hon. Mr. GILLIS: We have been dilly-dallying with this Bill for about three weeks. This legislation is very important to the Western Provinces, and I think it should have been reported to this House two weeks ago, and assented to on the occasion of the last Royal Assent. To delay the measure any longer would be a serious matter. Many honourable members may not be familiar with the numerous amendments made by the committee, but in any event, though some of its conclusions may be wrong, it has given the measure full consideration. For this reason I think we should not delay acceptance of the amendments and submission of the Bill for third reading.

Hon. Mr. SINCLAIR: Honourable members, the Bill will not become law until it is assented to. I think we have ample time to give it full consideration while keeping within our rules, and have it sent over to the other House early enough for consideration there and for the giving of the Royal Assent before the Easter adjournment. Therefore I think it would be wise to wait until the amendments are printed in our Minutes before we consider them.

Hon. Mr. HORNER: Honourable members, I think most honourable senators have had an opportunity of being present at the meetings of the Committee on Banking and Commerce and studying the amendments. I agree with the honourable gentleman from Saskatchewan (Hon. Mr. Gillis) that there should not be one

more day's delay. With all respect to the right honourable leader of the House, may I point out that the province of Saskatchewan has a large number of farmers who feel that they have the best credit that can be offered in this Dominion. It is not a question of there being no other way in which they can secure money, for many of them could borrow from the banks, loan companies or neighbouring farmers; but this Bill has been announced and most farmers think they can secure money under it at a lower rate of interest than through any other channel. They expected to be able to take advantage of it for their spring operations, and therefore they have not attempted to secure money from any other source. We are not considering a matter of charity to the farmers of Saskatchewan. Some of them are just as shrewd business men as can be found in any other part of Canada. They want to secure money as soon as possible, and naturally at as low a rate as possible. As I say, they had expected this measure would be in effect early enough for them to take advantage of it in connection with their spring operations. As seeding is about to commence, it would be a serious matter to delay the Bill any further.

Hon. Mr. ROBINSON: If the Bill were to go through to-day, would it be possible to make any use of it so far as this year's seeding is concerned?

Hon. Mr. CALDER: Honourable members, I quite agree that there is urgency in this matter. At the same time it must be remembered that a good many senators are not members of the committee and know absolutely nothing about the Bill. It would be scarcely reasonable to proceed to the third reading until everyone has had a chance to see just what changes the committee recommends. Now, agreeing with all that has been said as to the urgency of the measure, I would suggest that we proceed to consider the amendments this afternoon. We can get an idea as to what they cover, and as they will appear in our Minutes to-morrow we shall be able to study them before third reading is moved. It can be understood that honourable members may move any amendments they wish when we come to third reading.

Hon. Mr. BELAND: Has the Bill been extensively amended in committee?

Hon. Mr. CALDER: Oh, yes.

Hon. Mr. BELAND: Someone should be in a position to give the explanations.

Right Hon. Mr. MEIGHEN: We are quite ready to give the reasons now. The honourable senator from Queen's (Hon. Mr. Sinclair) thinks we have time to allow the delays called for by the rules and still have the measure given the Royal Assent before adjournment. But there is a possibility that adjournment may come this week. The other House must have some time to consider such an extensive array of amendments as suggested. We cannot expect that House to adopt them without close inquiry. Therefore we cannot delay the Bill, unless we are prepared to run the risk of its being carried over Easter.

When I spoke as to this being the only means of securing money in Saskatchewan, I spoke in the fullest accord with all the evidence before the standing committee. Never was it represented to the committee that the Bill was to be merely the means of getting money cheaper. If that is the purpose we do not need to break all our rules to pass the Bill. The evidence before the committee showed there were no loan companies in the field, either in the West or in the East. Consequently this measure is needed in order to place the farmers of the West in a position to get their seed. I do urge upon honourable members to act on the assumption that that is correct.

Hon. Mr. SINCLAIR: Is it possible for the farmers of the West to secure loans from the Farm Loan Board in time for seeding?

Right Hon. Mr. MEIGHEN: Does the honourable member say that the farmers out there can get money from other sources?

Hon. Mr. SINCLAIR: Members of the committee know that the Farm Loan Board is not operating, and never has operated, in Saskatchewan.

Right Hon. Mr. MEIGHEN: But it is all ready to operate.

Hon. Mr. SINCLAIR: After this Bill passes the Board must create its organization to be in a position to accept applications for loans. Seeding operations have commenced out west, and the Board's organization cannot be created in time to be of benefit to those farmers this spring.

I may point out further that the procedure suggested by the honourable senator from Saltcoats (Hon. Mr. Calder) is very little different from the regular procedure. Honourable members could deal with the numerous amendments more intelligently if they had an opportunity of studying them in the Minutes of the Proceedings. We can consider the amendments to-morrow and give the Bill third reading immediately afterwards. I submit this would be the better course to follow, and that in the long run it would save time.

Hon. Mr. GILLIS: I scarcely see the advantage of delaying this Bill for another day. The amendments are very extensive. I think honourable members would be well advised to consider them now and so expedite the passage of the Bill to the other House. Otherwise it will be delayed until after the Easter adjournment, to the great disadvantage of the farmers of Western Canada.

Hon. Mr. DANDURAND: We have two proposals before us, both of which would bring about the same result. The first proposal is that we pass the amendments now and put the Bill down for third reading to-morrow; the other is that we postpone consideration of the report of the Standing Committee on Banking and Commerce until to-morrow, and then deal with the amendments and pass the Bill in its amended form. We cannot take the amendments into consideration now without unanimous consent. Therefore, if my honourable friend from Queen's (Hon. Mr. Sinclair) insists, we shall have to postpone consideration of the amendments until to-morrow, in the expectation that these will be adopted then and the amended Bill be given third reading. I recognize the importance of proceeding expeditiously, for undoubtedly the other House will not accept what is absolutely a new Bill without thoroughly considering the changes we have made in the original. I hope it will not examine the amendments in Committee of the Whole in order to try to understand them, for that might take a month. Whatever method it adopts, two or three days at least will be required for the purpose of going through the Bill, and if Parliament is to adjourn by the middle of next week the Commons will have to make use of all the time available.

Right Hon. Mr. MEIGHEN: I accept the suggestion of the honourable senator opposite that we postpone the passing of these amendments, on the understanding that we shall endeavour to deal with them and give the Bill third reading to-morrow.

Right Hon. Mr. GRAHAM: There are occasions when the Commons does not give us much time.

Hon. Mr. COPP: Will the amendments be printed to-morrow?

Right Hon. Mr. MEIGHEN: Yes; they will be in the Minutes.

ADJOURNMENT

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: The Banking and Commerce Committee meets at once, to carry on its consideration of the Unemployment Insurance Act.

Hon. Mr. CASGRAIN: Before the House adjourns, may I ask the right honourable gentleman if he will be good enough to make an inquiry? It appears that in Montreal, at any rate, the indemnities of members of Parliament and senators are regarded as unearned increment. As it naturally makes a great difference in the matter of income tax, I would ask the right honourable gentleman to let us know when we meet again whether this is correct or not.

Hon. Mr. DANDURAND: Why does the honourable gentleman speak of unearned increment? I understood it was said elsewhere that we were not earning anything.

Some Hon. SENATORS: Oh, oh.

Right Hon. Mr. MEIGHEN: I will look into the matter. I can hardly credit the rumour. The question, as I understand it, is of interest only to those who have incomes of over $14,000; so up to the moment I have not given it serious thought.

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

THE SENATE

Thursday, April 11, 1935.

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

Prayers and routine proceedings.

LOANS BY FARM LOAN BOARD

INQUIRY

Hon. Mr. GILLIS inquired of the Government:

1. What is the average amount of the loans made by the Canadian Farm Loan Board during the period in which the Act has been in operation?
2. How many loans of the maximum amount allowed under the Act have been made during the period mentioned?
3. To what persons and in what localities respectively were such maximum loans made?

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

1. To March 31, 1935, the average first mortgage loan was $2,039, and the average second mortgage loan was $619.

2 and 3. To March 31, 1934, a total of 24 loans at the maximum amount of $10,000 fixed under the Act. Subsequent to March 31, 1934, one loan at the maximum of $7,500 fixed by the 1934 amendments to the Act.

Of the above loans, 15 were made in the province of British Columbia, 6 in the province of Alberta, 1 in the province of Manitoba and 3 in the province of Quebec.

Loan transactions between the Board and borrowers are treated as confidential and it is not considered in the public interest that information revealing the names of persons who obtained loans should be made public.

TRANSFER OF LABRADOR TO CANADA

INQUIRY

Hon. Mr. SINCLAIR inquired of the Government:

1. Has the Government of Newfoundland offered to sell Labrador to Canada?
2. If so, at what price?
3. Has the Canadian Government offered to purchase Labrador from Newfoundland?
4. Have there been any negotiations or correspondence between Canada and Newfoundland regarding the purchase or sale of Labrador?

Right Hon. Mr. MEIGHEN: The answer to this question is long. I suppose I may dispense with reading it.

Hon. Mr. DANDURAND: The right honourable gentleman's statement that the answer is too voluminous to read whets my curiosity. Perhaps he could give us a summary of the answer.

Right Hon. Mr. MEIGHEN: The answer itself, I find, is very short. Several pages of correspondence are attached and I thought they were the answer. This is the information my honourable friend desires:

1. In 1931 the Government of Newfoundland suggested the initiation of negotiations looking to the transfer of the Labrador territory to the Dominion of Canada.
2. One hundred million dollars.
3. No.
4. Yes. The correspondence, which took place in October, 1931, was made public on the 17th February, 1932. Copies are tabled herewith.

Hon. Mr. DANDURAND: Does the sum of $100,000,000 cover the debt?

Right Hon. Mr. MEIGHEN: I could not say. I recall where the national debt stood in the early part of 1914, and, having regard to the War and other obligations incurred since, I presume it would not be very far out of range of that figure.

Hon. Mr. CASGRAIN: I know it is absolutely irregular to speak on this question, but I may point out it refers not to Newfoundland at all, but to the territory handed over by the Privy Council—

Right Hon. Mr. MEIGHEN: Labrador.

Hon. Mr. CASGRAIN: Yes. That is what they want $100,000,000 for. It is not worth 100,000,000 cents.

Hon. Mr. SINCLAIR: I understood the right honourable leader of the House to say that the answer would be incorporated in Hansard. Will the correspondence be included?

Right Hon. Mr. MEIGHEN: It is not so very long. It may be included in Hansard.

Finance Department
St. John's Newfoundland,
October 7, 1931.

Rt. Hon. R. B. Bennett, K.C., P.C.,
Prime Minister of Canada,
Ottawa.

Sir,

It having been intimated to our Government that the Dominion of Canada, actuated by the spirit that animated the Fathers of Confederation, might be desirous of acquiring the Labrador Peninsula, so that Canada should extend its territory from the Atlantic to the Pacific, the Executive Council of Newfoundland decided to delegate three of their Ministers to meet you unofficially and ascertain the views of your Government on this matter. Our delegation consisted of Rt. Hon. Sir R. A. Squires, Prime Minister of Newfoundland; Hon. P. J. Cashin, Minister of Finance, and Hon. H. M. Mosdell, Chairman of the Newfoundland Board of Health. The Prime Minister of Newfoundland was, unfortunately, unable to be present at the interview with you at Ottawa, which took place on September 25, but was cognizant thereof and expressed his thorough approval of the action of his two ministerial associates in discussing with you the matter mentioned.

Your undertaking at this interview was to submit the question for consideration of your Cabinet and to acquaint us at the earliest possible date whether or not the Government of Canada were prepared to receive official communications in this connection and to enter into official negotiations designed to effect the transfer of the territory as aforesaid. On September 28, our delegates, then at Montreal, received an official communication from the Government of Newfoundland on the subject under consideration.

The two delegates who had had the unofficial conversation with you at Ottawa immediately conveyed this intimation to the Prime Minister of Newfoundland. who was also at Montreal, and, further, cabled full information to their ministerial colleagues in Newfoundland.

The Executive Council of the Government of Newfoundland met in formal session to consider this report. and, under date of October 3, 1931, a formal Minute of Council, duly signed by His Excellency the Governor of Newfoundland, issued appointing as an official delegation the three Ministers aforementioned in this communication, together with Hon. A. Barnes,

Secretary of State for Newfoundland, and Hon. Sir W. F. Coaker, to meet official representatives of the Government of Canada and to endeavour to negotiate terms and conditions of the proposed transfer to the Dominion of Canada of the Labrador territory of the Dominion of Newfoundland.

This official delegation, while regretting that the Prime Minister of Newfoundland has been unable to remain in Canada for the official conversations in this connection, have now the honour to present to you certified copy of the Order in Council authorizing their mission and describing their powers, and they beg also to be permitted to submit to you their proposals, regarding the suggested disposition of the Labrador territory of Newfoundland.

The Government of Newfoundland hereby offers to transfer to the Government of Canada the whole of the Labrador territory of the Dominion of Newfoundland, such transfer to be subject to the undermentioned general conditions and considerations:

1. The rights and privileges of the fishermen of Newfoundland, and such other rights and privileges of this nature as are actually existing in virtue of treaties still binding on the British Crown to be recognized and preserved by the Government of Canada;

2. Hudson's Bay Company's concessions, rights and privileges, if any, to be safeguarded by the said Government of Canada;

3. Claims arising under licences issued by the Government of Newfoundland in respect to timber lands in this territory to be adjusted in accordance with the terms of paragraph 5 hereof;

4. The Government of Canada to assume the obligation of paying the full funded indebtedness of Newfoundland, amounting to Eighty-seven Million Dollars, aproximately, and at the completion of negotiations to remit to the Government of Newfoundland the sum of Thirteen Million Dollars, approximately, making thus a total payment to the Government of Newfoundland of One Hundred Million Dollars in this behalf.

5. The Government of Canada to deposit in trust with a chartered bank in Montreal an additional amount of Ten Million Dollars with instructions to said bank to deliver said amount on presentation and delivery of a certificate issued by the Government of Newfoundland to the effect that all claims arising out of the issuance of timber licences have been completely settled and that the said Government of Newfoundland is in a position to deliver to the Government of Canada a free and clear title to the Labrador territory of Newfoundland.

6. The Government of Newfoundland undertakes to submit to the Legislature of Newfoundland a Bill to convey to the Dominion of Canada the full and clear ownership of the Labrador territory aforesaid.

We trust the foregoing will prove satisfactory to you and to your Government and that it will be regarded as a reasonable basis for the initiation of negotiations in the connection herein discussed.

Very respectfully yours,

A. Barnes, Secretary of State,
P. J. Cashin, Minister of Finance,
W. F. Coaker,
H. M. Mosdell,
Chairman, Newfoundland Board of Health.

Right Hon. Mr. MEIGHEN.

Ottawa, October 14, 1931.

Honourable Arthur Barnes, M.E.C.,
Secretary of State,
St. John's, Newfoundland.

Honourable P. J. Cashin, M.E.C.,
Minister of Finance and Customs,
St. John's, Newfoundland.

Honourable Sir William F. Coaker, K.B.E.,
St. John's, Newfoundland.

Honourable H. M. Mosdell, M.E.C.,
Chairman of Public Health,
St. John's, Newfoundland.

Gentlemen:

I advised my colleagues of the substance of our interview of a few days ago, and communicated to them your letter, being a certified copy of minutes of the Honourable Executive Council, approved by His Excellency the Governor on the third of October, 1931, and the proposal based thereon. I note that your Prime Minister has been called back to Newfoundland, and was unable to head your delegation.

I regret, under present economic and financial conditions, it is not feasible for us to favourably consider your proposal. If circumstances were more propitious a committee of the Cabinet would have been appointed to consider the whole situation, but until there is a general improvement in world conditions no good purpose would be served by considering in detail a proposal which we are not prepared to accept in principle.

May I assure you that the Government greatly appreciates not only your courtesy in placing the situation so frankly before us, but also your personal visit to Ottawa. I regret that I was compelled to leave town that evening, for it would have been a matter of great satisfaction to my colleagues and myself to meet you in friendly discussion regarding your Dominion. Probably under more favourable conditions we may be able to reconsider the situation.

Believe me, with much appreciation of your courtesy, I am

Yours very sincerely,
R. B. Bennett.

POST OFFICE BILL (NEWSPAPER OWNERSHIP)

FIRST READING

Bill 50, an Act to amend the Post Office Act (Newspaper Ownership).—Hon. Mr. Murdock.

DIVORCE BILL

SECOND READING

Bill R, an Act for the relief of Frances Goldberg Joseph.—Hon. Mr. McMeans.

CANADIAN FARM LOAN BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 15, an Act to amend the Canadian Farm Loan Act.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

INCOME TAX ON INDEMNITIES

Right Hon. Mr. MEIGHEN: Honourable members, I can answer the question put yesterday by the honourable senator from De Lanaudière (Hon. Mr. Casgrain) as to whether parliamentary indemnities are considered as earned or unearned income. The report which he heard was incorrect. The indemnities are regarded as earned income, as one would necessarily expect.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I wish to remind honourable members that the Banking and Commerce Committee meets at once after the Senate rises, according to notice. We are to continue consideration of Bill 8, respecting unemployment insurance. I am not moving to-day that the House adjourn until Tuesday, because this committee has made appointments with certain parties who wish to be heard either on Bill 8, or on Bill 21, the Hours of Work Bill. The committee is meeting to-morrow morning at 11 o'clock, and it will be necessary for the House to meet in the afternoon. It was intimated to me this morning by the Acting Prime Minister that the other House would meet on Tuesday and Wednesday of next week. If that should happen, as I expect it will, this House also will have to meet on Tuesday and Wednesday, for we are considerably in arrears with our work in the Banking and Commerce Committee.

Hon. Mr. DANDURAND: And I suppose it will be necessary to have supply voted and assented to?

Right Hon. Mr. MEIGHEN: There will be a Royal Assent to Bills at the last sitting before the Easter adjournment, which I anticipate will be Wednesday afternoon.

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

THE SENATE

Friday, April 12, 1935.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill T, an Act for the relief of Isabelle Hume Sadlier Rice.—Hon. Mr. McMeans.

Bill U, an Act for the relief of Mary Frances Isobel Brown Gauthier.—Hon. Mr. McMeans.

Bill V, an Act for the relief of Amy May Wells Gorman.—Hon. Mr. McMeans.

Bill W, an Act for the relief of Charles Michael McGuire.—Hon. Mr. McMeans.

EASTER ADJOURNMENT—SENATE STAFF

Before the Orders of the Day:

Hon. Mr. GRIESBACH: Before the Orders of the Day are called I desire to ask the right honourable leader of the House (Right Hon. Mr. Meighen) what arrangements are to be made with respect to the Senate staff for their continued employment and pay during the long adjournment.

Right Hon. Mr. MEIGHEN: I shall make inquiries as to what is being done in relation to the House of Commons staff and advise the Senate on Tuesday. I suppose the question arises only because of the rather long adjournment over Easter.

GOLD EXPORT BILL

FIRST READING

Bill 42, an Act to amend the Gold Export Act.—Right Hon. Mr. Meighen.

DIVORCE BILL

THIRD READING

Bill R, an Act for the relief of Frances Goldberg Joseph.—Hon. Mr. McMeans.

REMARRIAGE OF DIVORCED PERSONS BILL

MOTION FOR SECOND READING

Hon. J. J. HUGHES moved the second reading of Bill S, an Act respecting the Remarriage of Divorced Persons.

He said: Honourable senators, very little need be said in explanation of this Bill, because all the members of the House understand it as well as I do. I might, however, state that it proposes not to abolish divorce, but to prevent the marriage of divorced persons to others than their former spouses. As stated a few days ago by myself, and believed by many persons, this would eliminate eighty or ninety per cent of the divorce applications.

I think it is recognized that divorce is in itself a great evil, and that many evils accompany it; and it is certainly growing very

fast in Canada. If these things be acknowledged as facts, any legislation that would retard or prevent the growth would be good legislation.

When speaking on this question a few days ago I mentioned the fact that for several years after Confederation the growth was very slow, and for the first twenty years of this century not alarming. But during the last thirteen or fourteen years it has become startling, and I have been told that quite a few of our people go to the neighbouring states of the United States, get divorces there, and come back and marry in Canada, thus breaking the criminal law of this country.

There is a trait of character which is, I think, common to all men and nations. The things we do ourselves and the things we see done frequently by others, if they be evil in their nature, lose their repulsiveness by familiarity. One of our poets, Pope, described this very well when he said:

> Vice is a monster of so frightful mien,
> As to be hated needs but to be seen;
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

This appears to be apropos of the trend of our attitude towards divorce; hence the necessity, or at all events the advisability, of occasionally calling attention to the great and growing evil.

A few years ago we should have been alarmed had we been told that we had 900 or 1,000 divorces in Canada in one year. Now we take it as a matter of course. If the growth is as great, or approximately as great, during the rest of the century as it has been in the first third of it, we shall at the close have 20,000 or 30,000 divorces a year. That is something to think about.

The argument is sometimes used that if divorce be not granted, with the right to remarry, more immorality will result. That argument is, I think, fallacious from every point of view. In the first place, many persons hold that a valid marriage can never be dissolved except by death, and that therefore divorce does not and cannot reduce the degree of immorality. But putting this argument aside, I think it is clear that if we adopted the principle that we could do an evil in order to prevent a greater evil, there would be no such thing as law or order or morality possible, and decent society would break down. Therefore the argument cannot be sound. If, however, we are confronted with two evils, one of which we must choose, we are justified in choosing the lesser. Or if, when confronted with a great evil which we cannot abolish altogether, we can greatly reduce it by tolerating a part of it, we should be justified in taking that course; and that is what I am trying to do by this Bill.

Right Hon. ARTHUR MEIGHEN: Honourable senators, no one questions the sincerity of the honourable senator, either as to the rightness of the object which he seeks or as to the method which he judges the best to attain it. The subject is a universal one and has in this country no features which are not general in virtually all parts of the world. That divorce is an evil we all admit. That the readiness of couples to seek separation as a solution of differences of view and of temperament is becoming more and more prevalent, and that consequently the stability of the family as an institution is not what it ought to be, indeed not what it was, we all likewise agree.

But is not this measure really just another attempt to perform by legislative restriction that which can be accomplished only by the reformation of the mind and the heart? I do not wish to be a party, by a negative or an affirmative vote, to anything which looks like an encouragement of divorce. Likewise I do not want to be a party to what can be merely a futile and perhaps fatuous legislative performance. The measure, if passed, might have some restraining effect. If the opportunity of remarriage were denied, some of the incentive might be taken away from certain people who now lightly look to the courts or to Parliament for divorce. I cannot for a moment imagine, though, that the percentage so affected would be anything like what the honourable senator has in mind. Remarriage may be a distant goal, perhaps in some cases even a fairly immediate one, but separation, I really believe, is the main objective of the great majority of petitioners. It seems to me that remarriage is more or less collateral. The percentage of those cases in which that object is the real and underlying cause of the desire for divorce does not, I fancy, reach anything like the proportion which the honourable senator believes it does. But in any event, whether his figures be right or wrong, I cannot see that we are going to get anywhere by denying the privilege of remarriage. In one breath we should be saying to the divorced persons: "You are now separate. You are single again. The bonds are broken. You are each now off by yourself. You are in the same position in which you were before marriage." In the next breath we should be saying: "You are not. Your rights as citizens are hereafter going to be restrained." It does not appear to me to befit the dignity of Parliament or

the right purpose of legislation to bring about that state of affairs.

If we did bring about what seems to me an incongruity, where should we be then? The marriage would take place somewhere else. That, to my mind, would be the easiest way by which Parliament could be defied. But it would not be the only way. Parliament could be defied by the means indicated by the honourable member himself, and such defiance, in its effect on the general moral rank of the mass of our population, would be far more deleterious than even the other plan. Cohabitation would take the place of marriage, and the last state would be worse than the first.

It seems to me that if anything is to be done at all to discourage divorce, it must be done by those institutions and through those channels which exist for that purpose. And while I am on my feet may I venture to express the hope that in those, their natural, spheres, these agencies will be more active in the future than they have been in the past, and possibly not quite as active in other spheres, for which they are less qualified.

Hon. JAMES MURDOCK: Honourable senators, when I first noticed this Bill on the Order Paper I wondered what was the reason for its introduction. We all know that of late years there has been a marked reduction in the number of petitions heard by the Standing Committee on Divorce, because since the establishment of divorce courts in Ontario these petitions come from only one province. I have the most sincere and profound respect for the religious scruples of the people of Quebec in relation to divorce. Always when a Divorce Bill is passed in this House we hear the qualification "on division," which conveys to my mind that there is opposition to the Bill on the part of members from the province of Quebec.

Hon. Mr. LACASSE: And elsewhere.

Hon. Mr. MURDOCK: All right. At the moment I am not particularly concerned with the "elsewhere," because elsewhere is not troubling the Senate with its petitions for divorce. But we all have the most sincere respect for certain religious scruples which actuate honourable members from the province of Quebec and elsewhere in their opposition to the granting of bills of divorce.

May I risk what is implied in the maxim, "Fools rush in where angels fear to tread," by making a suggestion? We have heard during this session, yes, and in other sessions, and I am sure we are going to hear in future sessions, a great deal about provincial rights. But incidental to these rights are there not certain obligations? It seems to me that there are. Why do I say that? I have never attended a sitting of the Divorce Committee, but I have noticed time and again that the committee has decided to grant a divorce by some such vote as four to three, or five to three. This has prompted me to analyse the evidence in an effort to arrive at the reason for the difference of opinion, and invariably it has seemed to me that it would have been in every way preferable to refer the case to the courts for adjudication. I do not think it would be consistent with the humane and decent conditions prevailing in Canada to-day to pass this Bill. But I do think some consideration should be given to the possibility of removing entirely from the jurisdiction of the Parliament of Canada divorce petitions from the province of Quebec, in the same way as divorce petitions from the province of Ontario were withdrawn from this jurisdiction. I believe if that were done it would be possible in many cases to deal more effectively with the guilty party.

Where it is beyond controversy that the province has exclusive jurisdiction, it should assume that jurisdiction, and then it would not be proper on our part to question the decision of any of its courts with respect to its citizens. In my judgment this would be an improvement on our present method of dealing with divorce, and it should be adopted.

Right Hon. GEORGE P. GRAHAM: Honourable senators, since entering my later youth I have been opposed to two things—and I must say I have found very few people willing to agree with me. I have been opposed to capital punishment and to divorce. I will not repeat any of my speeches on capital punishment.

I should like to call attention to one fact that appears to be overlooked. The federal authority in referring divorce cases to the courts in certain provinces did not give up its right to deal with these cases in the Parliament of Canada. It merely approved of another tribunal. I imagine, notwithstanding that the courts of Ontario try divorce cases, persons living in that province could come to this Parliament and petition for a divorce; and similarly with respect to any other province. It is not the people of Quebec alone who can apply to this Parliament in such matters. We have done nothing to give up our right to consider a divorce petition from any citizen of Canada.

Right Hon. Mr. MEIGHEN: We cannot give it up.

Right Hon. Mr. GRAHAM: No; it is part of the Constitution. I am not sure, after surveying the history of divorce for some years, that the courts are doing any better job than our Standing Committee on Divorce did.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: The flexibility in the procedure of the Divorce Committee enables it, without too strict adherence to the rules of evidence, to get at the truth more thoroughly than do our courts of justice.

As I said before, I have always been opposed to divorce. I admit there are cases where divorce seems to be the better way out, but their number is so infinitesimal, as compared with the number of divorces granted where the evidence has been manufactured, that I am impelled to follow the principle of the greatest good to the greatest number.

We cannot imagine that if there was no divorce in sight in this or in other countries —I refer particularly to the south—people would enter upon this sacred life-contract with such flippancy as they often do when they know that subsequently, for little or no reason, they can free themselves of all their matrimonial obligations.

I am not from the province of Quebec, but I am firmly of the view, and always have been, that marriage was intended to be more than a civil contract; that that solemn ceremony—I do not know whether to call it a sacrament or not—carries with it a moral obligation above and beyond the civil contract. That is why the clergy were given the right to solemnize marriage. In all the churches marriage is a solemn covenant before God. The civil contract, to my mind, smacks too much of a horse trade or something of that kind. "Well, we will try this for a while, and if it does not go, all right." If we are going to follow that idea and make the bond lighter, we may as well try the scheme of companionate marriage. In some countries, as you know, marriage may be half companionate, because people can be relieved of their solemn obligations within a few weeks. I believe that if by this Bill, or something like it, people were prevented from having constantly before them, even from the days of their courting, the idea that they can be relieved of their marriage contract, fewer foolish, puppy-love, passionate and hence companionate marriages would take place.

My right honourable friend (Right Hon. Mr. Meighen) thinks the mover of this Bill quoted too high a percentage when he spoke of those who obtain divorces for the purpose of remarrying. I am inclined to think that is the chief object in view, and the first marriage and the divorce are collaterals. Honourable gentlemen who have followed the cases will agree, I think, that the figure of eighty per cent is not too high, and that many people are, in fact, courting others than their own wives or husbands for months and years because they know they can get a divorce when the right time comes.

I believe too, no matter what the applicants say, that there is collusion in ninety per cent of divorces.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. GRAHAM: In the great majority of cases the parties to the marriage tire of each other, and, as there is only one way out, evidence is sought through paid detectives, who, perhaps in collusion with the party of the first part, move about and endeavour to manufacture evidence. The class of detectives or spies engaged in the filthy process of procuring divorce evidence are not, to my mind, entitled to have their evidence credited at all. It seems to me that we are aiding and abetting in this looseness.

I am not sure that the prevention of the remarriage of divorced persons, particularly the guilty ones, would result in any such dire consequences as my right honourable friend seems to fear. I agree with him that mankind is very frail, and that it is difficult to curtail the wrong desires of the human animal. But that is no argument against passing legislation to make divorce as difficult as possible. For weeks we have been engaged in committee on bills of a social character. While admitting that in their dealings with each other employer and employee should show that they are possessed of the milk of human kindness, we are passing legislation to provide that they shall be compelled to do the right thing if they will not do it voluntarily. We are not content to leave the matter entirely to the Church or other educational forces. I am strongly of the opinion that the number of divorces would be at once cut in two if the guilty party were not allowed to remarry. I am convinced of that from a study of the question, supported by evidence secured from social centres and elsewhere.

I feel that my position in regard to divorce is somewhat like my position in regard to capital punishment. I think that this Bill will not go through, and that none of us expect it will. However, I want to make it clear that my view is not influenced by any religious obligation. I think divorce is wrong

in itself, and I believe we could curtail the evil to a marked degree, and restrict the number of divorces by eliminating from all divorce bills the provision which gives the right to marry again.

Hon. G. LACASSE: Honourable members, I take much pride in expressing my full concurrence in all that has been said by the mover (Hon. Mr. Hughes) and the seconder (Right Hon. Mr. Graham) of this Bill. I go further: I consider it a personal duty.

I admit right at the beginning that this is a very delicate matter, especially in a country like ours, where religious feeling, social conditions and racial elements are so varied and complex. I admit also that legislation alone will not prevent the decay of human minds and hearts. Yet, while I firmly believe that one of Canada's main troubles at the present time is over-legislation and under-education of the masses—and the first of these exists because of the second—I ask whether we should always be content to adopt half measures. It may be that concessions should be made on the three grounds of industrial progress, social undertakings, and economic conditions, but I do not think that, in the sphere of morality, there should be any catering to vice and a wrong understanding of the supreme lessons of divine precepts.

I share the view of the right honourable gentleman from Eganville (Right Hon. Mr. Graham) that the percentage of divorces with remarriage in view has not been exaggerated by the mover of the Bill. We all know what is meant by the eternal triangle. If you search into this problem and scrutinize the aims, the objects and the reasons of the many applicants who come to the Senate or to the courts of the country, you will, as the novelist says, always find a woman—or a man. I believe that if remarriage were not allowed the number of divorces would be reduced by at least fifty per cent.

As a Canadian I take pride in the fact that in this country divorces cannot be secured on such frivolous grounds as prevail elsewhere. Here they are limited to one ground. That is considerable improvement on the situation as it exists in some other countries. I do not think that man has any right to break the seal of God as put upon the hearts of mankind by the churches of various denominations.

True enough, as my right honourable friend (Right Hon. Mr. Meighen) has said, this Bill might lead to another evil—cohabitation. I admit, too, that we cannot prevent that to any large degree by any specific law of the land—

Hon. Mr. LAIRD: Why not include that in the Bill?

Hon. Mr. LACASSE: —but in this country such conditions at least should not receive the sanction of the State, and sacrilegious ceremonies should not be covered by the mantle of legislation, as they are in many countries.

I have risen in support of this measure not only because of what I believe to be a clear understanding of the laws of God, but also because I consider that divorce has been at the root, and has been one of the main causes, of the disruption and wrecking of the fundamental institution of civilized society: the home and family life. From that point of view I regard this question as truly national in scope.

Hon. J. J. HUGHES: I think the honourable member from Parkdale (Hon. Mr. Murdock) is under a misapprehension in regard to the law and in regard to the rights of the provinces. The Federal Government, according to the Constitution, has full and special powers over marriage and divorce. The province has only the right of solemnization. Therefore the Parliament of Canada has full power, and the full right, to pass a Bill of this kind. Whether or not it would be wise to do so is another question. I think it would, but I am quite prepared to accept the view of men who think it would not be wise under the present unfortunate conditions.

The right honourable the leader of this House (Right Hon. Mr. Meighen), who is clear on all questions, did not take into account all the angles of this subject. Though I am not quite sure, I think the right honourable gentleman said divorce in itself was an evil. I know the right honourable senator from Eganville (Right Hon. Mr. Graham) said it.

Right Hon. Mr. MEIGHEN: I think it is, but sometimes it is the lesser of two evils.

Hon. Mr. HUGHES: If it is admitted to be an evil in itself, then to my mind the Parliament of Canada, by granting divorce and permitting remarriage, is giving legal standing and social respectability to a thing that should not have that status. Of course we cannot legislate to change the hearts of men; we cannot make men moral by legislation. I think that is acknowledged. But as far as possible we should avoid giving assistance by the act of Parliament to something that is evil in its nature. I think the right honourable leader perhaps lost sight of that point, and if he would choose to address himself to it he could make a good case.

The honourable senator from Parkdale (Hon. Mr. Murdock) raised a question of provincial rights. Eight of the provinces have jurisdiction for the trial of divorce cases in their own courts, and they might not be willing that the Parliament of Canada should deprive them of that right, at least without consultation. I expected an argument of that kind would be raised, and I think it is a pretty strong one. In view of what has been said in the present debate, and because of the sparse attendance this afternoon, I feel the cause I have in mind would not be promoted by my asking for a vote. I may possibly bring the matter up again next session. If I decide to do so I shall try during the recess to ascertain from provincial authorities whether they would have any objection, and if so, on what ground, to the passage of legislation of this kind by Parliament. I should endeavour to get the attitude of the provinces on the question. It is a matter that may very well stand over. Rather than get an adverse vote, I should prefer, if this is agreeable to honourable members, to let the matter stand until next session. And as I say, in the meantime I may be able to get the opinion of the country upon it.

Hon. RAOUL DANDURAND: Honourable senators, before this matter is disposed of I should like to say a few words as to the stand of those members of the Senate who by their religious ethics or doctrine are precluded from voting in favour of divorce. When I entered this House I found there was an occasional petition for divorce; perhaps two, three or four a session. When the first one came to my attention, through a report from a Divorce Committee, I inquired of the leading senators from Quebec what stand my Church took on these matters. Some of those gentlemen had been in this Chamber ever since Confederation. They were men of considerable experience; in fact two or three of them were former Prime Ministers of the province of Quebec. They said they had made up their minds not to form part of the jury on matters of divorce, but to abstain from participation in such questions, as at least a quorum of other members could always be obtained. This has been my rule, and naturally I have refrained from reading the divorce evidence. Since I was unable to vote in favour of any case I felt disqualified to vote against it. I suppose it is on account of this habit of all senators who feel as I do that it has become the practice for His Honour to say that divorce bills are carried "on division."

Coming to the procedure which we have followed since 1867 in dealing with divorce petitions and bills, I think the Senate has done its work in a very creditable manner, to say the least. We have had a standing committee which has constituted a court with the responsibility of hearing witnesses, weighing the evidence and making a report in every case. The House of Commons has no such special organization for this purpose, and our divorce bills are referred by that Chamber to its Private Bills Committee. I have often heard it said that the bills fail to receive in that committee the serious consideration which we give to them. The voting upon these measures is supposed to be guided by the evidence which is printed and sent over to the other House. I should like to draw this matter to the attention of the Right Hon. the Prime Minister and the Right Hon. the Leader of the Opposition, who have a greater responsibility than have other members of Parliament for examining the manner in which divorce bills are dealt with in their Chamber. I have been told, even this session, that members were rendering a service to a neighbour or a friend by voting on one side or the other in the Private Bills Committee, and should the Prime Minister and the Leader of the Opposition find that to be the fact they might decide it is advisable to form a joint committee of Parliament, if that is agreeable to the Senate also, for the consideration of divorce petitions. The reports of such a committee would carry considerable weight in both Chambers. I may be told that I am invading the precincts of the other House, but I feel the matter is of such importance that it is my duty to make this suggestion.

Now we have before us a Bill whose object is the curbing to some extent of the divorce evil. I thought my honourable friend from King's (Hon. Mr. Hughes) would be content with a restriction against the guilty party alone, but he puts the innocent and the guilty on the same plane. Of course his own feelings as to the menacing nature of the evil lead him to go that length. I know there are some honourable members who accept the principle of divorce and would not favour legislation of this kind, even though they were disposed to check the evil to the same extent that the Bill would. We all admit the evil exists. Naturally my feeling is that it should be curbed, and I should be inclined to favour legislation along the lines suggested by my honourable friend from King's.

On the other side of the Atlantic I have been unable to answer the questions sometimes asked of me as to the effect of the numerous divorces in the United States upon the body social and politic of that country. One day a gentleman inquired if it was true that for every ten American marriages there were seven divorces. I could not answer that, but I told him a little story, which may be entirely imaginative, but which describes one effect of the laxity of the marriage tie in the great republic. At Newport, when the residents were opening their villas, one little girl of ten or twelve years looked over the fence and said to her neighbour of about the same age: "I see you have a new papa. Do you like him?" The answer was: "Well, I don't know. We have had him for only three months." And the first little girl said: "Oh, I think you will like him. We had him last year."

Right Hon. Mr. GRAHAM: As seconder of the motion for second reading of this Bill, may I suggest to the mover (Hon. Mr. Hughes) that since his case has been presented and discussed and all that can be gained for the present has been gained, it might be wise for him to withdraw the motion?

With leave of the Senate, the motion was withdrawn.

PRAIRIE FARM REHABILITATION BILL

FIRST READING

Bill 55, an Act to provide for the rehabilitation of drought and soil drifting areas in the Provinces of Manitoba, Saskatchewan and Alberta.—Right Hon. Mr. Meighen.

APPROPRIATION BILL NO. 3

FIRST READING

Bill 59, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

EASTER ADJOURNMENT

Right Hon. Mr. MEIGHEN: The expectation—in fact I can say the certainty—is that a motion will be made on Wednesday next that the House stand adjourned on that day until Tuesday, the 21st of May, at 3 o'clock in the afternoon.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Hon. Mr. BLACK: I should like to call the attention of honourable members to the meeting of the Banking and Commerce Committee after the Senate rises this afternoon, and also to the meeting next Tuesday morning at 11 o'clock.

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

THE SENATE

Tuesday, April 16, 1935.

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

Prayers and routine proceedings.

HIS MAJESTY'S SILVER JUBILEE

JOINT ADDRESS

The Senate proceeded to consider a message from the House of Commons with the following resolution:

Resolved that a message be sent to the Senate informing their honours that this House has passed an address to His Most Excellent Majesty the King expressing loyal and respectful congratulations on the twenty-fifth anniversary of his accession to the Throne, and requesting their honours to unite with this House in the said address hereto attached.

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's loyal and dutiful subjects, the.. .. .. House of Commons of Canada in Parliament assembled, beg to offer our sincere congratulations on the happy completion of the twenty-fifth year of your illustrious reign.

The eventful years which have passed since Your Majesty's accession to the Throne have witnessed great and significant changes in economic, social and political conditions that have constantly demanded the exercise of the highest qualities of courage and of leadership. During these years important and definite developments in the constitutional relations between the several parts of Your Majesty's dominions have more firmly established that unity of which their common allegiance to the Crown is the symbol and inspiration. We rejoice that each year has been marked by an increasing appreciation of Your Majesty's inspiring example of conscientious devotion to duty and of unselfish labour for the welfare of your people. Your Majesty will celebrate the twenty-fifth anniversary of your accession enjoying the unreserved respect and the loyal affection of the people in all parts of your dominions, which is a striking demonstration of the righteousness and wisdom which Your Majesty has exhibited both in war and in peace through years of unexampled difficulty.

We ask that our loyal and respectful congratulations may be accepted by Her Gracious Majesty the Queen, whose untiring interest in every movement for the relief of distress and suffering and for the welfare of humanity has given her a secure place in the affections of the people of Canada. We rejoice that the Queen will share the demonstration of loyalty

and devotion which will be shown to Your Majesty on this memorable anniversary.

From time to time during Your Majesty's reign the people of Canada have enjoyed the honour of welcoming to this Dominion His Royal Highness the Prince of Wales and other members of the royal family, whose visits have not only deepened the loyal devotion of the people of Canada to Your Majesty but have enhanced their appreciation of the interest which is always taken by the members of the royal family in all that pertains to the progress and welfare of this Dominion.

We trust that we may continue for many years to enjoy the benefit of your gracious and peaceful rule. Our earnest prayer is that He who is the Ruler of all nations and the King of Kings may uphold, direct and preserve Your Majesty in health, in happiness, and in the affectionate loyalty of your people.

Right Hon. ARTHUR MEIGHEN: I move, seconded by Hon. Senator Dandurand:

That the Senate do unite with the House of Commons in the said Address, and do insert in the blank space therein the words "Senate and."

I am certain it is under no compulsion of mere convention that we of this House are moved to concur in the resolution which has come from the Lower Chamber. The commonwealth of British nations which own allegiance to His Gracious Majesty King George welcome the advent of this anniversary season as a proper occasion for the expression of their felicitations, and their unreserved and whole-hearted respect for the persons and station of His Majesty and his gracious Queen. We, who possibly best of all citizens of the Empire know of the blessings that flow from the occupancy of the Throne by a person of the character and great common sense of His Majesty the King, are particularly pleased to offer our congratulations.

To us who believe that we are of a country wherein the best forms of democratic government had their birth, it is a matter of extreme gratification that at a time when the institutions of democracy have been subjected to a continuous and ferocious challenge, as never before in their long history, our institutions, in the full flush of their powers, are presided over by a monarch such as blesses the British Empire. We are proud to think that while in several countries of the world thrones have fallen, and in those and other countries many establishments which we thought were permanent have collapsed, not only have British institutions survived, and retained all their pristine strength, but they owe this survival and strong position in no small measure to the character of the occupant of the Throne itself.

Because of that unerring and indeed extraordinary instinct which enables him to determine just what are his functions in our Empire, and which holds him from stepping beyond those functions, at the same time impelling him to perform them without any sense of restraint and with an eye single to the good of his people, we have had a period of economic and political development, and, on the whole, considerable prosperity and peace. Ours has been a lot of more than average happiness in comparison with the condition of peoples of the world in general, for we have enjoyed those blessings at a time when most of the populations of this earth have undergone very bitter suffering and very great pain. It has been said by an eminent authority that the duty of the sovereign is to be where in great matters he may always be consulted, to offer encouragement and to give warning. It may at times be his duty, indeed I think it is, to exercise functions more in the nature of the executive. But in this sphere which I have sought to describe, his part is a large one, it is one of tremendous responsibility, and at a time of crisis one of crucial responsibility. This part he has at all times performed with extraordinary wisdom and with universal acceptance throughout his realm.

That fathomless common sense which distinguishes the line from which he springs seems in him to have reached an excellence which perhaps no other has approached, and consequently throughout the entire period of his reign, crowded as it has been, in war and in peace, with great events, great perils and tremendous changes, he has never ceased to command the respect, the admiration, and, as the years have passed one after the other, the increasing affection of his people.

When the time of war was on us there seemed no service beyond his capacity. It seemed impossible for him to err in the execution of his great duties. And through this period of political and economic evolution which has succeeded the War he has shown those great abilities which are perhaps unmatched over the whole range of the monarchs of the world. The Throne of Britain is secure, while perhaps other institutions may not be quite so secure; and its security is due in very great degree to the character of the monarch himself.

I am sure this House will be prompt, and indeed enthusiastic, in acknowledging that the position which the Throne occupies is due to the high moral rank which the occupant of the Throne has reached, and I doubt not that in the years to come the services, already so ample, already so truly great, will grow in their usefulness and their importance to us all.

With His Majesty we all like to associate the name of his gracious Queen. Never has

the true relationship which should subsist between husband and wife been better understood than by Her Majesty Queen Mary. She shares not only the high duties and responsibilities of His Majesty, but as well the rewards which come from their long and beneficent discharge.

This House will join unanimously, all sections and all opinions, in the address which comes to us from the Lower Chamber.

Hon. RAOUL DANDURAND: Honourable members of the Senate, we all join heartily in wishing long life and happiness to His Majesty King George, to his gracious consort, and to the members of the royal family.

We who live beyond the seas are not privileged to see our Sovereign in the flesh, but we have him constantly in our minds, because our laws are enacted and enforced in his name. Our lives and actions are shaped under his tutelage. Our main roads, which most of our people travel daily, are known as "the King's Highway," or, in Quebec, as "le chemin du Roi." Yet, surrounded as we are by this atmosphere, His Majesty's real presence is never beheld.

The King, while wielding no power, is the emblem of constitution and authority. He reigns, but does not govern. He can commit no wrong, as he assumes no responsibility. Individually, since he can give no command, he cannot test the fidelity of the nation to the Crown. He cannot call one soldier to the colours, nor can he levy a single shilling. Parliaments have absorbed all the authority which in times long past was the apanage of the Crown. Parliaments only can test the loyalty of the people to the institutions under which they live, since they alone can enact and enforce the laws which must be obeyed.

In the last analysis of what constitutes the loyalty of the nation to the Crown, as representing the institutions which govern a free people, I have come to the conclusion that under our democratic form of government the real test is the consent of the minority, after a national consultation, to be governed by a majority which does not represent its views. Obedience to the will of the majority, however small it may be, is the very basis of our popular form of government.

The King, standing above party conflicts and popular clamour, represents, within and without, the unity of the nation; and His Majesty King George, by his scrupulous devotion to the duties of his high office and the perfect dignity of his life, has endeared himself to all the peoples of the realm. The Crown, which is but the emblem of sovereignty, is the essential link which binds together all the nations of the Commonwealth. Should Great Britain proclaim a republic, all the Dominions, naturally, would do likewise, and the Commonwealth would be no more.

The affection of the British peoples for His Majesty the King and the royal family ensures the permanency of an association which, to the astonishment of the outside world, is solely maintained by the silken thread of sentiment.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: I move, seconded by Hon. Senator Dandurand:

That the Honourable the Speaker do sign the said Address to His Most Excellent Majesty the King on behalf of the Senate.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: I move, seconded by Hon. Senator Dandurand:

That a message be sent to the House of Commons to acquaint that House that the Senate do unite in the said Address to His Most Excellent Majesty the King, expressing loyal and respectful congratulations on the twenty-fifth anniversary of his accession to the Throne.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Bill T, an Act for the relief of Isabelle Hume Sadlier Rice.—Hon. Mr. McMeans.

Bill U, an Act for the relief of Mary Frances Isobel Brown Gauthier.—Hon. Mr. McMeans.

Bill V, an Act for the relief of Amy May Wells Gorman.—Hon. Mr. McMeans.

Bill W, an Act for the relief of Charles Michael McGuire.—Hon. Mr. McMeans.

GOLD EXPORT BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 42, an Act to amend the Gold Export Act.

He said: Honourable members, this measure is of no very great significance. Since, I believe, late in 1931, the export of gold has been under licence. The policy of restriction became necessary because of the gold standard difficulties which overwhelmed the world about that time. Licences for export have since been issued only to the chartered banks, not by way of favour to the banks, but merely because they were the best medium through which the restriction could be exercised. Honourable members will keep in mind that what is affected is not coined gold, or gold deposited against issue or cur-

rency, but merely the product of the mine, which is regularly exported from Canada. The business of export is done through our banks in any event; consequently, when it was deemed wise to issue licences they were issued to the banks. The effect of the present measure is merely to add the Bank of Canada to the banks which may be licensed, because plainly a certain amount, if not the greater part, of the gold exported hereafter will be sent through the Bank of Canada.

Hon. Mr. DANDURAND: There can be no opposition to such a measure. It is not an extension of the power given to the Government.

Right Hon. Mr. MEIGHEN: No.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PRAIRIE FARM REHABILITATION BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 55, an Act to provide for the rehabilitation of drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta.

He said: Honourable members, this Bill is of very considerable importance. Its provisions are simple enough, but the necessity for it, or for some wiser measure, if such could be devised, must be apparent to all. The southern portion of Western Canada, particularly the southern central portion, has been for some years under a devastation caused by drought, and consequent dust storms, with the result that large areas which formerly were fertile have been converted into what appears at the present time to be a desert. A large section of our heritage is threatened. Therefore, it is the part of wisdom to address ourselves to the problem of trying to find some way of rescuing from this devastation as much of that area as can possibly be rescued.

The problem is by no means simple. Many have advanced schemes for its solution. In the country to the south, I believe, great parties are committed to definite schemes for the solution of an analogous difficulty existing there. The opinions of those whose judgment ought to be best differ in very important features. For the present, reforestation seems to hold sway in the minds of public men to the south, but there is grave doubt indeed as to whether this solution will accomplish anything in the immediate future.

This Bill provides for the establishment of a committee on this subject, and names the sources from which its members are to be drawn. The three Western governments are to be represented on it. Because more extensive areas are subject to drought in Saskatchewan, that province is to have a larger representation of farmers than are Manitoba and Alberta. The railways are to have two representatives, the banks one and the mortgage companies one. The stock men also are entitled to one, I believe from Saskatchewan; at all events there will be somebody to look after the interests of Western stock men. And the Department of Agriculture will have two or three men to act on its behalf.

The intention is to combine the practical with the theoretical—to associate scientific men with those who have actually lived and wrestled with problems on the ground. The committee will devise experimental tests, the cost of which will be met out of moneys granted by the Bill. I understand the plan is to select in all the provinces an area of a township, that is to say, 36 sections, which would run to about 24,000 acres—a very considerable area of ground, yet merely an experimental station when one considers the tremendous territory that has been overswept by the dust storms—and upon this area experiments suggested by the committee will be applied. The purpose is to use actual methods of resourceful, vigorous, courageous farmers who themselves have in some measure conquered on their own farms the difficulties which we seek to conquer in a wider area. When an individual farmer tries to do something by himself he is faced with difficulties brought about because surrounding farmers will not follow his methods. Consequently something has to be done on a bigger scale before a proper test can be made, and this is what the measure seeks to have done.

The amount of money provided by the Bill is three-quarters of a million dollars for the first year, and one million every year thereafter for a period of four years. I know many honourable members of the House are deeply interested in this measure, and possibly some are more or less critical of the particular plan proposed for attacking the problem. No one who lives in the West, or who is interested in that part of our country, as most of us are, can fail to be strongly in favour of some attempt being made to restore to the afflicted areas a

measure of the fertility and prosperity which they enjoyed until late years.

Hon. Mr. DANDURAND: Honourable members, I am of the opinion that the Bill will be unanimously accepted by this Chamber. The situation which the measure is designed to meet is a grave one. A few years ago we heard a great deal about the drought problem in the West, and made some attempt to solve it by helping the provinces to transfer farmers from dry areas to the middle west or the north. Later another affliction befell the West in the form of dust storms or soil drifting. I suppose this trouble had not before existed to such an extent, for I at least had not heard of it until late years.

We need not consider now the early settlement of certain parts of the West. I have heard discussions as to the justification for the settlement of certain areas which it was claimed would have been better given over to ranching. The matter has been debated in this Chamber as well as in the Lower House. We must take the situation as it is to-day, and I believe that the present measure will bring a ray of hope to Western farmers who without it might be threatened with complete failure. I leave it to honourable members who come from the West to speak at greater length on the subject.

Hon. W. A. BUCHANAN: Honourable senators, I should like to make some observations on this measure, though I have not had as long an experience as have some other senators with life in Western Canada, nor have I a practical knowledge of agriculture. But I have formed certain definite opinions as a result of experiments made in the part of the country where I reside. I look upon the Bill as important not only to Western farmers but to the whole Dominion, because if it succeeds in solving the problem now facing farmers in many parts of the three Western provinces it will benefit every person who has an investment in those sections. If we were to allow the southern parts of Manitoba, Saskatchewan and Alberta, which are affected by drought and soil drifting, to be abandoned without any effort to reclaim them, the loss to the elevator companies, the railways, mortgage companies and individuals would run into hundreds of millions of dollars. I think it is our duty as a Parliament to focus attention on experiments that have been made and try to find out, through a commission such as is provided for in this Bill, whether the extension of those experiments into the dry areas will solve the problems of soil drifting and drought.

I look upon soil drifting as the greatest menace we have to contend with to-day in the southern parts of the Prairie Provinces. We know what is happening in the Middle West states. In the region extending from Texas to the Canadian boundary and into Saskatchewan, Manitoba and Alberta crops were ruined last year, not only by heat, but by soil drifting. This year millions of acres have been destroyed in the wheat-growing sections of the Middle West of the United States, and in Western Canada we are afflicted with the same trouble, though not on as large a scale. However, the soil drifting menace is growing every year, and the commission set up by the Bill will no doubt study the situation and try to find some means of combating and overcoming it. In the light of history it is recognized by everyone acquainted with Western Canada that in the Prairie Provinces much land was allowed to be taken up for settlement that never should have been used for anything but ranching, and that such sections should now revert to the grass stage and be set aside solely for the use of ranchers. I think the commission will probably find it desirable to make a systematic effort to determine the best means of reclaiming and rehabilitating certain areas, and to this end some studies will probably be undertaken to ascertain the most suitable uses to which the lands can be put.

I do not want to take up too much time when we are near to an adjournment of several weeks, but I feel it is worth while to bring to the attention of this House some observations I have made from experiences through which a section of southern Alberta passed some fifteen or twenty years ago. Southeastern Alberta, as we call it, that territory running from the irrigated land area in the southern part of the province to the Saskatchewan boundary, went through two or three dry periods, and such a serious condition developed that the Provincial Government appointed a commission to study and report upon it. The chairman was Mr. C. A. Magrath, who now heads the International Joint Commission. A thorough investigation was made, and ever since that time the territory in question has been generally termed the drought area. The people who decided to remain there have done so on the understanding that no relief will be given to them. All the banks moved from the area; so the local farmers can no longer get credit through those sources; and the mortgage companies and implement makers refuse to give them credit. Probably about half the farmers moved into other sections of

Alberta and the West. I would not say that all those who stuck to their lands have re-established themselves, but I do say that the bulk of them have done so. Knowing it was hopeless to expect assistance, they saved the proceeds of good crops so as to tide themselves over years of crop failure. The result is that to-day the greater portion of that area is in as good financial position as are some of what are called the better class agricultural sections of Alberta.

I am stating only facts within my own experience. The statements of rural municipalities and school districts with which I am familiar show that in almost every instance these bodies are able to meet their obligations, and many of them have surpluses. Farmers in that area who require machinery and implements can go now and pay cash in one lump sum for these necessities. Those people went through an experience of three or four years of dryness, with no crops, and they knew what might happen to them unless they made the very best of every opportunity. The secret of their success in combating the adversities that faced them was that they adopted methods suitable to the district.

One thing they have found out: if there has been too intensive cultivation of the soil on a half or a quarter section holding, it is better to take up more land, cultivate only a small portion, and use the larger area to raise sheep or cattle to tide them over the adverse years. Many farmers have done that.

In another district the strip method is used. This may interest honourable members, because the method is constantly being referred to. It was first introduced in an area close to the city of Lethbridge where a number of Hollanders had settled many years before. Soil drifting menaced them ten or fifteen years ago. They experimented and finally introduced strip farming. They cultivate a strip of land and on each side of it leave the stubble of the previous crop. The rows of stubble not only conserve the moisture, but help materially to overcome soil drift from other land.

The commission in its travels will find many farmers making experiments, and these I think will contribute a great deal of information that will be helpful in formulating a policy to overcome the menace in other sections of Western Canada. But I do not think any uniform policy can be introduced. The country will have to be zoned, for what may be suitable in one area will not be suitable in another.

This soil drifting, as I have said, is one of the most serious problems facing the agriculture of Western Canada. Only last week the Legislature of Alberta passed a measure to control soil drifting. Whether it can be controlled by legislation I do not know, but, at any rate, if a farmer does not observe the law he will be subject to severe penalties. I can understand the reason for this legislation. Last year in the district of Lethbridge a farmer sued one of his neighhours, claiming that his crop had been destroyed by what he termed faulty methods of cultivation. The farmer across the road apparently had over-cultivated his land, and there was so much dust on top that the wind blew it on to the good crop. The plaintiff did not succeed in his claim for damages, there being no legislation with respect to soil drifting, or to prevent indifferent farming. As I say, the Provincial Government has now passed legislation in the hope of controlling this menace.

I do not think we can by legislation overcome soil drifting or any other menace against agriculture. We may be able to curtail soil drifting or grasshoppers, but I doubt whether we can legislate to compel farmers to kill all the grasshoppers on their farms or so to cultivate their land as to prevent soil drifting altogether. I welcome the legislation now proposed. I feel that if the commission holds inquiries in those sections of the West that have experienced drought and soil drifting in past years, it will secure very helpful information.

The West is often told, particularly by certain persons in Eastern Canada, that we should grow more trees and irrigate our farms. This is not possible everywhere in the West. Last week I spoke before the Rotary Club in Brantford, and to illustrate the difficulty of getting water in Western Canada I told the story of the farmer in Saskatchewan who while engaged in hauling water met a man from Eastern Canada driving his automobile. The visitor wanted to know how far the farmer had to haul his water, and received the reply, "I have to go three or four miles to the river." "Why," said the man from the East, "don't you put down a well on your farm?" "If I did," returned the farmer, "I should have to go farther than that to get water."

Mr. W. F. Cockshutt, a former member of the House of Commons, was at the meeting and told a story that, I think, evidences the optimism of Western Canada, and the depth of soil on the prairie. He said that many years ago when he was travelling in Saskatchewan he was told that a farmer near Regina had been boring for water. When the farmer next came into town he was asked if

he had succeeded. He answered, "No, I didn't find any water." "Well, did you find anything at all?" "Yes," he replied, "I am down more than 100 feet and the soil there is as good as that on top." That may be also the case in other sections, and it will take a good deal of wind to blow all that good soil away. And, let me add, it will take a good deal of blowing to diminish the optimism of the people of Western Canada.

Hon. J. A. CALDER: Honourable members, it may be worth while to spend a short time in discussing the dreadful condition in the southwest portions of the Prairie Provinces. I went west in 1882 and travelled by buckboard thousands and thousands of miles over the prairie between the Red river and the Rocky Mountains. I know Western soil conditions over large areas, and at one time I knew them probably as well as any man in Western Canada.

It is a vast expanse of country, extending for more than 800 miles from Winnipeg to the foothills. We must get away from the idea that physical conditions are more or less the same all across the prairie. That is far from being the case. The northern part of Manitoba, Saskatchewan and Alberta is fairly heavily treed; the area north of a line running northwesterly from Winnipeg to Saskatoon and Red Deer. True, a good deal of the timber has been removed. Southward is a border area partially covered with scrub timber, and varying in width from 20 miles to 100. Then comes the pure prairie, extending westward for three or four hundred miles, with not a single tree anywhere.

There is a variety of soil in that immense territory. My honourable friend from Lethbridge (Hon. Mr. Buchanan) has just spoken of the country around Regina. He is quite right; you can sink a well 100 feet—I dare say 200 feet—and the soil will be practically the same at the bottom as at the top. It is a heavy loam-clay soil, characteristic of extensive areas in the West, but not of all. Forty miles west of Regina the soil becomes sandy loam, but with a lower proportion of clay. Twenty to thirty miles west of Moose Jaw is the edge of what is called the second prairie steppe. Beyond this hilly, sandy region is the third prairie steppe, which runs all the way to the mountains. Most of the soil is light in southern Saskatchewan and that area of the third prairie steppe from Moose Jaw westward to Calgary, southward to Lethbridge, and south of Maple Creek and Swift Current.

It will be seen that soil conditions vary a great deal. As my honourable friend has said, in attempting to solve this problem of drought and soil drifting several methods will have to be tried. No person at the present time knows what can be or what should be done. It is an entirely new experience for our people. They are experimenting, and the provincial governments are feeling their way towards a solution. What that solution eventually will be nobody knows.

Personally, I am inclined to think there is only one solution—rain. The problem is not local; it is continental. Broadly speaking, the territory affected extends all the way from the Saskatchewan river to Texas. In old maps published a hundred years ago this immense area is called the "Great American Desert,"—just as we have to-day the Sahara Desert, the Gobi Desert, and similar arid regions. For at least a hundred years, probably two hundred years—since this North American continent was settled—that area was regarded as a desert region. We have the northern tip of it. Honourable members no doubt will recall what has happened in the United States within the last month. I read in the papers yesterday that 11,000,000 acres of land sown to wheat in Kansas, Oklahoma and Nebraska will not yield a bushel of grain this year. After all, what is the prime cause of this lamentable condition? Lack of rain. A secondary cause, I think, is the continual ploughing and working of the soil. If the grass had not been broken up, its roots would have held the soil together and there would have been no soil drifting. Whence do Western Canada and the midwestern United States get their rainfall? Not from the west. The clouds have to get through the passes of the Rocky Mountains at elevations varying from three to six thousand feet, and most of the moisture is precipitated before the prairies are reached. In other words, the clouds blown from the Pacific Ocean towards Central Canada lose virtually all their moisture before they reach the prairies. So we must depend upon the Atlantic, Hudson Bay and the Great Lakes for our moisture supply.

From one cause or another, over a period of years we have not received our share of moisture, and the ground has become drier and drier all the time. Where ordinarily around Regina you would find the soil quite moist at a depth of twenty or thirty feet, to-day the reserve of moisture is practically all gone. Year after year we have had hot, dry weather, with the result that the ground has become parched. The soil of the Regina plain is a good loam-clay. Under ordinary moisture conditions it would not drift at all, but when the clay becomes dry the slightest movement in the air breaks up the surface

into the very finest particles, and the dust drifts worse than sand. As a matter of fact the dry soil is so light that it is taken up into the clouds by air currents and carried hundreds of miles.

I have simply attempted to give honourable members some idea of the conditions that exist in the drought areas of Western Canada. Afforestation has been suggested as a remedy. From Regina to Lethbridge, where my honourable friend lives, a distance of approximately four hundred miles, there are no trees. It would require very many trees and an enormous amount of money to plant that area. Even for a farm one mile long and one mile wide we shall need a large number of trees if anything effective is to be done in the direction of afforestation. On the other hand, it is quite possible that strip farming and other methods may be very helpful in counteracting the present soil drifting. It is a terrible condition, and what the outcome is going to be nobody knows. I am inclined to think that if Providence sends us sufficient rainfall the trouble will very largely take care of itself.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: Is there any necessity to go into committee on the Bill?

Right Hon. Mr. MEIGHEN: I do not think there is. I may say I have looked through the Bill with a view to deciding whether or not it should go to committee. If desired, I shall be glad to make the necessary motion; but I do not see any fault in the general construction of the measure.

Hon. Mr. DANDURAND: It is exceptional this session for a Bill to come to this House properly drafted. I accept the statement of my right honourable friend.

Right Hon. Mr. MEIGHEN: It is a very simple Bill.

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

APPROPRIATION BILL No. 3

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 59, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

Hon. Mr. CALDER.

He said: Honourable members, this Bill is not quite a duplicate of the Bill which passed two or three weeks ago, providing one-twelfth of certain items and one-sixth of others. Inasmuch as it provides one-sixth and one-twelfth, it is much the same, and is in a measure complementary to the other Bill. It is, of course, a Bill to which the Senate is not disposed, whatever may be its right, to offer anything in the way of amendment.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

MINIMUM WAGES BILL

FIRST READING

A message was received from the House of Commons with Bill 40, an Act to provide for Minimum Wages pursuant to the Convention concerning minimum wages adopted by the International Labour Organization in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding parts of the other treaties of peace.

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: Is there any reason for putting this Bill down for second reading to-morrow?

Right Hon. Mr. MEIGHEN: Except that it would be well to have it referred to committee before we adjourn. We can never get through it by that time.

Hon. Mr. DANDURAND: Perhaps it would be well to postpone it until the first Tuesday after we resume.

Right Hon. Mr. MEIGHEN: We might put it down for second reading to-morrow, and if the honourable gentleman then wants to adjourn the debate, I shall have no objection.

SALARY DEDUCTION (CONTINUANCE) BILL

FIRST READING

A message was received from the House of Commons with Bill 53, an Act to provide for deduction from compensation in the Public Service.

The Bill was read the first time.

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

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: What is the nature of this Bill? Is it a Bill that needs to be sanctioned before we adjourn for Easter?

Right Hon. Mr. MEIGHEN: I think it would be better. I shall explain the Bill now, in the hope that it will receive second reading to-morrow.

This is a Bill to provide for restoration of half of the 10 per cent Civil Service salary cut, or, in respect of salaries of $1,200 or under, the whole of the cut. There is also an Income Tax Bill which accomplishes the same end as far as the permanent force and the judiciary are concerned.

Hon. Mr. DANDURAND: When is this legislation to be applied? Would it cover the present month, or would it apply at a future date?

Right Hon. Mr. MEIGHEN: I have not the Bill before me and cannot answer the honourable gentleman's question, but, knowing, as I do, the very close proximity of those interested, I fancy it is to be applied from the first of the month.

Hon. Mr. LITTLE: The 1st of April.

Hon. Mr. DANDURAND: I am told it is to be applied from the 1st of this month.

Right Hon. Mr. MEIGHEN: I should expect something like that. I should think it would be from the first of the fiscal year. That is the date when it should be applied.

Hon. Mr. DANDURAND: Then it would need to be sanctioned.

Right Hon. Mr. MEIGHEN: Yes, it should be sanctioned.

INCOME WAR TAX BILL (SPECIAL TAX)

FIRST READING

Bill 54, an Act to amend the Income War Tax Act (Special Tax).—Right Hon. Mr. Meighen.

COPYRIGHT AMENDMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 58, an Act to amend the Copyright Amendment Act, 1931.

The Bill was read the first time.

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

Hon. Mr. BEAUBIEN: To-morrow.

Hon. Mr. DANDURAND: Is there any special reason why?

Right Hon. Mr. MEIGHEN: I should not like to say that there is not, nor do I know that there is. I have not had time to study the measure, and have asked the honourable senator from Montarville (Hon. Mr. Beaubien) to put himself in a position to outline the importance and the purpose of this Bill to-morrow.

CANADIAN NATIONAL RAILWAYS FINANCING BILL

FIRST READING

Bill 24, an Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1935.—Right Hon. Mr. Meighen.

EASTER ADJOURNMENT—SENATE STAFF

Right Hon. Mr. MEIGHEN: I wish to refer to a question put to me Friday last by the honourable senator from Edmonton (Hon. Mr. Griesbach) as to what arrangement is to be made with respect to the employment and pay of the Senate staff during the Easter adjournment. The Senate staff, like the staff of the House of Commons, will be paid their regular salaries during the Easter adjournment.

BUSINESS OF THE SENATE

Hon. Mr. BLACK: Honourable senators, I should like to call the attention of the members of the Banking and Commerce Committee to the fact that when the House rises that committee will continue its work on Bill 8.

Hon. Mr. DANDURAND: In connection with the statement of the Hon. the Chairman of the Banking and Commerce Committee it might be appropriate to mention that the newspapers, upon looking at our Order Paper and Hansard, have found that on many days we have sat in this Chamber for but a short while. They have failed to notice, however, that the measures which have come here, and which would have taken much more of the time of the Senate if examined in Committee of the Whole, have been sent to standing committees, where, as those newspapers would have observed if they had representatives here, the members of this House have been working as long hours, and perhaps as usefully, as the members of the Commons.

Right Hon. Mr. MEIGHEN: I want to express my appreciation of what the honourable senator has said. Periodically I read

satirical comments about our adjournments and the hours we sit in this Chamber. As is too often the case, the comments are based on judgments arrived at without much investigation. The habit of forming opinions in this way is in fact a curse of our times. It is certainly my earnest desire, as I think it is of every honourable senator on either side, that we in this House should utilize our position to the utmost of our power for the advantage of the people; and I want to say on behalf of members on both sides that I never witnessed in the other House, where I sat for many years, a more intense devotion to duty than has been demonstrated in the House in which I now sit.

This House is not a mere replica of the Commons—not an arena for the repetition of the political debates of that assembly. I say this without any reflection on the value of those debates. The House of Commons is the natural theatre for such controversy as must take place over public problems and political questions. The Senate is rather a commission of review, and its work is best performed by its larger committees, whose members devote themselves intensively to the performance of their task. I fancy, having regard to the amount of committee work done, and the number of members on our committees, that we have really worked longer hours than have the members of the other Chamber; and while we cannot boast just at present, because in the Banking and Commerce Committee we are considerably behind in our work, I know that we are prepared to sit even longer hours if that is necessary in order that we may fully and efficiently perform our duties as members of this House.

Some Hon. SENATORS: Hear, hear.

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

THE SENATE

Wednesday, April 17, 1935.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Sir Lyman P. Duff, Chief Justice of Canada, acting as Deputy to the Governor General, would proceed to the Senate Chamber this day at 5.40 p.m. for the purpose of giving the Royal Assent to certain bills.

CANADIAN FARM LOAN BILL

SENATE AMENDMENTS NOT INSISTED UPON

The Hon. the SPEAKER informed the Senate that he had received the following message from the House of Commons:

That this House agrees to all the amendments proposed by the Senate to Bill No. 15, an Act to amend the Canadian Farm Loan Act, with the exception of the 13th and 14th amendments, to which amendments this House disagrees for the following reasons:

That farm property being at the present time at its lowest value, a total advance of sixty-six and two-thirds per cent of the appraised value of a farm would secure a much smaller loan than would have been secured at fifty per cent valuation a few years ago.

Right Hon. Mr. MEIGHEN: Honourable members, it will be observed that the other House has disagreed with really only one amendment made by this House to the Farm Loan Bill. The amendments made in committee of this House were quite extensive, indeed some of them were of front rank importance. Therefore we have the satisfaction of knowing that the other House regards our work as having been on the whole very well done.

The amendment in which the House of Commons does not concur provided for a lower maximum loan in relation to value. As the Bill came to us it provided that 66⅔ per cent of the appraised value of the real estate could be loaned where a second mortgage was being taken and a collateral chattel mortgage besides. It also provided that where a chattel mortgage could not be taken because of the provincial law, namely, in the province of Quebec, the proportion should be 60 per cent. Our committee reduced those figures respectively to 60 per cent and 55 per cent. The other House does not concur in that reduction, and gives as a reason that it would be relatively safe to advance up to the larger percentage, because of the belief that the present low values of farm lands will not continue. The belief is somewhat hazardous, but I do not think it well for this House further to delay the passage of the measure when the exception taken to our very lengthy list of amendments is comparatively so trifling. I therefore move:

That the Senate do not insist upon its 13th and 14th amendments to Bill 15, intituled: "An Act to amend the Canadian Farm Loan Act," to which the House of Commons have disagreed.

Before I sit down, let me emphasize again the importance, from the standpoint of usefulness in 1935, of passing the Bill before we

adjourn. I am quite certain the Senate will in general agree with my view that it is not wise under the circumstances to insist on this really single amendment

Hon. Mr. DANDURAND: The committee, in the various amendments it made to the Bill, was actuated by a desire to protect the federal treasury as much as possible. It knew the risks involved in loans to be made, because of the losses incurred on loans already made. Yet the circumstances are such that the Parliament of Canada feels the necessity of coming to the help of the farming community. Naturally our amendment would decrease the risk. This is not a commercial proposition. No reserve is accumulated to take care of possible losses. Every loss is a dead loss. The future only will show whether this Chamber was reasonably prudent in its amendment. Under the circumstances I do not object to the motion.

Right Hon. Mr. MEIGHEN: I am in general agreement with my honourable friend, but there is one statement I think I owe it to the House to correct. Under the original Bill a reserve is being created to guard against losses. That reserve has reached some proportions. If I were asked whether it will prove sufficient in the end, I should agree with my honourable friend: I do not think it will.

The motion was agreed to.

RADIO BROADCASTING BILL

FIRST READING

A message was received from the House of Commons with Bill 60, an Act respecting Radio Broadcasting.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading the Bill.

He said: With the concurrence of the House I should like to have this Bill read the second time now. It is one of the shortest bills we have had before us, consisting of only one clause, which reads as follows:

> The provisions of the Act to amend The Canadian Radio Broadcasting Act, 1932, chapter thirty-five of the statutes of 1932-33, as amended by chapter sixty of the statutes of 1934, are hereby re-enacted, except that in section four thereof the thirtieth day of June, 1935, shall be substituted for the thirtieth day of April, 1935.

It will be seen that the only intent of the Bill is to carry over the present situation until it can be dealt with after the adjournment. Two months is certainly no more than will be necessary for that purpose. The House knows, of course, what the general situation is at present. Radio is administered under the Act of 1932-33, as amended.

Hon. Mr. DANDURAND: Which was to expire when?

Right Hon. Mr. MEIGHEN: This month. This carries it forward two months.

Hon. Mr. DANDURAND: Does that imply that before Parliament prorogues there will be further legislation in connection with this matter?

Right Hon. Mr. MEIGHEN: It certainly implies, as I understand it, that unless there is the Act falls, with whatever consequences would ensue. The expectation is that the matter will be dealt with in some way before the expiration of the two months.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DIVORCE BILLS

THIRD READINGS

Bill T, an Act for the relief of Isabelle Hume Sadlier Rice.—Hon. Mr. McMeans.

Bill U, an Act for the relief of Mary Frances Isobel Brown Gauthier.—Hon. Mr. McMeans.

Bill V, an Act for the relief of Amy May Wells Gorman.—Hon. Mr. McMeans.

Bill W, an Act for the relief of Charles Michael McGuire.—Hon. Mr. McMeans.

MINIMUM WAGES BILL

MOTION FOR SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 40, an Act to provide for Minimum Wages pursuant to the Convention concerning minimum wages adopted by the International Labour Organization in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding parts of the other treaties of peace.

He said: Honourable members, it is not the intention to have the Senate dispose finally of this Bill before adjournment, for this is another measure which will have to go to the Banking and Commerce Committee. Everyone well knows the purpose of the Bill. It is based upon a resolution passed here

some time ago. If second reading is given now, the measure can be committed to the Banking and Commerce Committee for consideration; but if objection is taken, that of course cannot be done and second reading will have to be postponed until we reassemble.

Hon. Mr. DANDURAND: Perhaps it would be as well to postpone the second reading until after our long adjournment, because that would give me, at all events, time to compare the Bill with legislation already in existence in the provinces. When we resume I shall ask my right honourable friend a question as to the effect of this measure upon provincial statutes covering the same subject.

Right Hon. Mr. MEIGHEN: I cannot of course insist upon this motion; so the second reading will have to stand over until we reassemble.

Hon. Mr. DANDURAND: We have so much work—

Right Hon. Mr. MEIGHEN: Yes, we have plenty of work. I think I can answer now the question asked by the honourable gentleman, though there may be phases of it which I have not in mind. His question is how this legislation will affect analogous provincial legislation, dealing with minimum wages and minimum hours.

Hon. Mr. DANDURAND: No; minimum wages alone.

Right Hon. Mr. MEIGHEN: I understand that wherever the provincial minimum wage is higher than the minimum fixed by this Bill, the provincial will prevail. I understand that is what the measure says, though I make the statement subject to further consideration.

Right Hon. Mr. GRAHAM: I am under the impression that the Ontario Minister of Labour has introduced into the Legislature a bill looking to the same end as this does. I have read a note upon it in the newspapers, and I am not sure that it has not already passed. Generally speaking, it provides machinery for employers and employees to get together and make amicable arrangements as to minimum wages.

Right Hon. Mr. MEIGHEN: I understand that the honourable leader on the other side (Hon. Mr. Dandurand) will move the adjournment of the debate.

Hon. Mr. DANDURAND: Does the right honourable gentleman intend to give his explanations now?

Right Hon. Mr. MEIGHEN: I cannot give any further explanation than I have already given on the point raised by the honourable gentleman. I think what I have said is correct.

Hon. Mr. DANDURAND: If the right honourable gentleman intends to make a further explanation of the Bill before second reading, it will be for him to move the adjournment of the debate.

Right Hon. Mr. MEIGHEN: This measure merely implements a resolution which passed this House some time ago, and the explanation given by me in the debate on that resolution applies verbatim to this Bill. So I will take the ground that my explanation is already on the records of the Senate.

Hon. Mr. DANDURAND: Then I move the adjournment of the debate until the next sitting of the House.

The debate was adjourned.

SALARY DEDUCTION (CONTINUANCE) BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 53, an Act to provide for the deduction from compensation in the Public Service.

He said: Honourable members, the explanation of the Bill was given yesterday. It restores one-half of the deduction in Civil Service salaries, and the whole deduction in respect of salaries of $1,200 and under.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

INCOME WAR TAX BILL (SPECIAL TAX)

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 54, an Act to amend the Income War Tax Act (Special Tax).

He said: Honourable senators, an explanation was given yesterday, but I have one addition to make. This Bill, like the one preceding it, restores one-half of salary deductions, but this one applies to judges, the permanent forces and the Mounted

Police. A separate measure is necessary because constitutionally the salaries of these three classes could be reduced only by way of income tax. Any modification of that tax has to be made by a special statute. In my explanation yesterday I failed to include the Mounted Police as being covered by the Bill. This is the addition to which I referred.

Hon. Mr. DANDURAND: The only amendments that the Bill makes to the existing law appear to be with respect to dates.

Right Hon. Mr. MEIGHEN: And it reduces the tax from ten to five per cent. This is an assessment, a tax. In respect to the Civil Service the salaries were reduced by a straight deduction, but we could not reduce the salaries of judges. To bring about equality of treatment we made a deduction in some cases and imposed a tax in others. And now we are reducing the deduction and the tax.

Hon. Mr. DANDURAND: I notice there is in clause 2 a provision whereby every person liable to pay this special tax may elect to be subject to salary deduction instead.

Right Hon. Mr. MEIGHEN: That is in the present Act.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

COPYRIGHT AMENDMENT BILL

SECOND READING

Hon. C. P. BEAUBIEN moved the second reading of Bill 58, an Act to amend the Copyright Amendment Act, 1931.

He said: Honourable members, I suppose I should say that although this Bill stands in my name, it is a Government measure. Its purpose is to amend the Copyright Amendment Act of 1931. Section 10 of that Act provides that the Government may institute an investigation when a concern holds certain performing rights and withholds the issue of licences, or charges excessive fees, for the use of these rights. There is a concern in Canada which has been holding a very large number of performing rights—no fewer than three millions of them.

Hon. Mr. DANDURAND: Three millions?

Hon. Mr. BEAUBIEN: Three million performing rights, which come from England, the United States, France, Germany, Austria, Italy, Spain, Sweden, Roumania, Denmark, Hungary, Poland, Switzerland, Czechoslovakia, Portugal, Brazil, Norway and Finland. This company, which is incorporated in Canada, controls these rights by reason of its affiliation with certain companies in those countries. Complaints have been made to the Government that the company is either withholding, or charging excessive fees for, licences for the performance of copyright works. The Government, therefore, under the authority given by the 1931 amendment to the Copyright Act, has named His Honour Judge Parker, senior county court judge of the County of York, Ontario, to make an investigation. The purpose of this Bill is, first, to debar any association, society or company from taking action against any person using works covered by performing rights, when the fee provided by the statute for the same has either been paid or duly tendered. The second objective is to prevent any action for infringement of such performing rights while the investigation is being carried on by Judge Parker. This stay of proceedings is limited to six months, but there is a provision that it may be extended by the Secretary of State. The Bill passed the Lower House without opposition.

Hon. Mr. DANDURAND: But the fees charged by the company must have been approved by the Secretary of State.

Hon. Mr. BEAUBIEN: I understand that every company controlling performing rights has to deposit with the Secretary of State a list of the works it controls and of the fees it proposes to charge. Those fees are approved or modified by the Secretary of State, after investigation. The investigation in the present case will cover a very wide field, and the commissioner may recommend a modification of the fees. The purpose of the amendment is to bar a company's right of action pending the inquiry.

Hon. Mr. DANDURAND: Will the Bill paralyse a company in collecting its fees?

Hon. Mr. BEAUBIEN: It bars the company, not from collecting its fees, but from suing to enforce collection.

Hon. Mr. DANDURAND: The questionable feature of the Bill is that it stays legal proceedings. Has the honourable gentleman any data of the number of cases before the courts?

Hon. Mr. BEAUBIEN: I regret to say I have no such data. Right of action is barred only pending the inquiry. If the commissioner should recommend that the fees be lowered, then of course the right to sue would attach only to reduced fees.

Hon. Mr. CALDER: I understand that if the Performing Rights Society is exacting unreasonably high fees the Government may modify them. What is the reason for the investigation?

Hon. Mr. BEAUBIEN: I should have been more precise. The Government has no right, proprio motu, to modify the fee until investigation justifies its doing so. Therefore the preliminary step is now being taken to ascertain whether the fees are reasonable.

Hon. JAMES MURDOCK: As I read this Bill, it proposes to inject an entirely new principle into the law: no person shall have recourse to the courts except with the assent of the Secretary of State. We know something about lobbying. As a matter of fact considerable lobbying is going on right now—not on this Bill, but on other matters; divorce bills, for instance. We find responsible citizens button-holing senators for their vote or assistance this way or that. This Bill contemplates—I hope the honourable senator will correct me if I am wrong—that if some specially qualified person exercises the necessary hypnotism, or presents a sufficiently strong argument, he may convince the Secretary of State that somebody has not a good case and should be prevented from taking legal proceedings until the Minister gives him written permission to proceed. Is that the kind of justice the citizens of Canada have under the law? I wish the honourable senator would explain that point.

Hon. Mr. BEAUBIEN: I am afraid I cannot contradict my honourable friend. This Bill is presented to the House in the interest of the public. In their interest the right of action is not denied; it is suspended pending an investigation. Theatres and broadcasting stations throughout the Dominion have been complaining that the Performing Rights Society—which, as I have already stated, controls over 3,000,000 dramatico-musical or musical works—is exercising monopolistic power. Practically it has cornered all such works. Undoubtedly it is in the interest of the public that an investigation should take place. During the course of the investigation the right of action of this or any other company is suspended, because it may be very materially modified by the judgment of the commissioner.

Hon. A. C. HARDY: I may say for the information of my honourable friend from Parkdale (Hon. Mr. Murdock) that I believe the purpose of this Bill is to avoid what might otherwise develop into chaos. Some time ago the Performing Rights Society was given very broad privileges, and within the last year or so it appears to be under the impression that it can double and treble the fees charged various broadcasting stations and country fairs for the right to perform musical works. The charges are practically prohibitive, and I believe the Secretary of State has taken a very wise precaution in introducing this Bill. I have had, for certain reasons, occasion to study the matter. I find the society can in case of dispute sue any broadcasting station or country fair or cancel the licence to perform copyright works.

I think perhaps the honourable senator from Parkdale is right in principle. Undoubtedly this measure is intended to prevent the society from indiscriminately suing dozens of broadcasting stations and other bodies while the investigation is proceeding. But it is in the public interest that the society should be restrained, else the broadcasting system of Canada will be thrown into chaos. The society's right of action is barred only pending the inquiry by the county judge in Toronto, and in my opinion not only is the procedure fair, but it is absolutely necessary if broadcasting is to continue. A small station in which I am interested, and which pays the society the comparatively small amount of two or three hundred dollars a year, is now offering to pay each month what it thinks is a proper amount. It has refused to pay what the society demands. The society is accepting that payment under protest. In the absence of the proposed legislation the station would have to close down, for it could not possibly afford to pay the society's scale of fees.

I do not think any fairer piece of legislation could be brought down. The Secretary of State may under certain circumstances consent in writing to the society taking legal proceedings, but that is only in case the society would suffer a real hardship if its right of action were barred. As I say, I think the honourable senator from Parkdale is right in principle, but there are times when it is expedient that the public interest should be considered. While I am not very deeply versed in the matter, it has come before me in such a way that I can speak with knowledge of the facts.

Hon. Mr. MURDOCK: I am concerned with where we may go from here. I am wondering whether, if certain persons can be denied recourse to the courts as is proposed, it might not be just as consistent later to

make a workman's right to sue his employer for wages subject to the consent of the Minister of Labour. It may be said that that instance is rather far-fetched, but to my mind the principle involved is exactly the same. I notice the marginal note of the first section: "right of action barred when fees paid or tendered." Tendered to whom? To the Secretary of State or to the copyright owners?

An Hon. SENATOR: The owners.

Hon. Mr. MURDOCK: All right, the copyright owners. Then, as long as the fees are paid or tendered, any person can go ahead and utilize the copyright music, or whatever it may be, and the owner will have no redress in the courts unless the Secretary of State O.K's the proceedings. Is that it? Well, it seems to me, even though the proposed legislation is absolutely essential, it is wrong in principle.

Hon. Mr. CALDER: Honourable members, from what has been said I quite agree with the necessity of the Bill, but I cannot understand why the present law does not operate to take care of a situation of this kind. Under the Copyright Act we give certain people certain rights. Has the copyright holder always had the right to charge what he likes for the performance of his work? If so, the law should be changed. Suppose I own the copyright of a musical work, and some person in the United States wants to perform that work, can I charge him $1,000,000 for the privilege? No, the law will not allow me to take such an unreasonable position. Why cannot the department deal with this situation as it has always dealt with similar situations in the past? Does the Secretary of State desire to get a report from a commissioner as to what should be the proper charges before he takes action? So far as that aspect of the case is concerned, I am still in the dark.

Hon. Mr. HARDY: I think my honourable friend will find that when the Performing Rights Society was incorporated it was given certain privileges. It is just as necessary that a reasonable tariff should be imposed on the society as on railways or even on the man who sells the product of his farm or business. Whether fair or not, that is the general principle on which I think the whole procedure is based. It is felt that the Performing Rights Society has been inclined to raise its fees so high that it has brought about a conflict between the distributors of copyright musical works and the owners of those copyrights, with the result that the Secretary of State, perhaps considering himself not competent to make a ruling, has appointed a commissioner to make an investigation and recommend a tariff that will be fair to all parties. It seems to me that in these days, when we are trying to give everyone a fair deal, the procedure of the Secretary of State is eminently right.

Hon. Mr. MURDOCK: Does he set the fair market price?

Hon. Mr. HARDY: That is what the intended investigation is for—to set a fair market price.

Hon. Mr. MURDOCK: A lot of that needs to be done.

Hon. Mr. BEAUBIEN: May I endeavour to answer the honourable senator from Parkdale? A list of the fees charged by a concern controlling producing rights is filed with the Secretary of State; but the law provides—and I answer the honourable gentleman to my right (Hon. Mr. Calder) by pursuing the argument—that if there is complaint the Secretary of State cannot, proprio motu—of his own motion—modify those rates unless an investigation is held.

The case is very plain. The Performing Rights Society is an organization that controls virtually all the dramatico-musical or musical works that are used every day for the benefit of the entire country, not only in theatres and in broadcasting, but everywhere, by thousands of people. If complaints are made that this concern is charging excessive fees, the Secretary of State simply turns to the law passed in 1931 and takes the first step towards ascertaining whether the fees are proper or should be reduced. That is why Judge Parker has been named. The Minister cannot reduce the fees until he gets a report from his commissioner. If the report states that the fees should be reduced, they will be reduced accordingly.

What is the amendment proposed by the present Bill? It is a very simple one. In order to prevent a multiplicity of useless lawsuits, the Government steps in and says to any user of a composition, "If you have paid or tendered the specified fees for the performing rights for such composition, you shall not be sued." That is proper If those fees have been paid or tendered, why should an action be taken?

Hon. Mr. DANDURAND: So far so good. But when the action is taken—

Hon. Mr. BEAUBIEN: That is the first paragraph.

The second paragraph provides that pending the investigation, which may last two or three months, right of action is barred. Thousands

of actions might be taken, the costs of which would have to be paid, and if at the conclusion of the investigation it were found that the fees should have been reduced, all these actions would have been taken for nothing. Is that right and proper? Should not the Government take the precaution which is provided for in the Bill, and say to the company, "Hold your hand"?

Hon. Mr. CALDER: Is it necessary to tender the full amount required by the copyright holders?

Hon. Mr. BEAUBIEN: In order to avoid being sued it is necessary to tender.

Hon. Mr. CALDER: Tender what?

Hon. Mr. BEAUBIEN: The amount specified in the list deposited with the Secretary of State. If the commissioner says the fees must be reduced, is it not perfectly fair, and in the interest of the public, that these three million musical works which are in daily demand throughout the country should be available for use at a reasonable fee? No injustice is done to the company possessing these rights. It is not unreasonable for the Government to say: "Hold your hand! You are entitled only to what the commissioner will give you. When he has fixed the amount, you may claim, but not before, because the fees may be varied."

I suppose the honourable senator from Parkdale (Hon. Mr. Murdock) is quite correct in stating that we should not interfere with the principle that any British subject is entitled to appeal to the courts; but my honourable friend must know very well that as long as there have been British parliaments there has been an exception to this rule. When the public interest is at stake any individual may be denied the right to sue the Government. Why? Because the public interest must be protected. The same principle applies here. Thousands of people want to use these works, but they could not do so unless they were protected. So they are protected. But in order to use these works they have to pay the price which is fixed after investigation.

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

THIRD READING

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

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

CANADIAN NATIONAL RAILWAYS FINANCING BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 24, an Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1935.

He said: Honourable members, this is a measure to provide moneys to meet expenditures made and indebtedness incurred by the Canadian National Railways during the calendar year 1935. It enables the company to issue notes for refunding and capital expenditures, as specifically detailed in subclauses (a) and (b) of section 2, for "equipment principal payments, sinking funds, miscellaneous maturing or matured notes and other obligations secured or unsecured, not exceeding $8,700,000," and for "construction and betterments, including co-ordinations" under the Act of two years ago, and "acquisition of real or personal property, and working capital, not exceeding $5,500,000." This shows the division of the $14,200,000, the total amount which may be issued.

Then it is provided that the Minister of Finance may make loans for the purpose of meeting authorized expenditures; and lastly, that the Minister of Finance may make advances on account of net income deficits to an aggregate of $44,000,000.

I do not think the House desires a general discussion on Canadian National financing just now. Suffice to say that the situation improves gradually, and with some steadiness, though by no means at a very encouraging rate.

There is power in the Bill to aid other companies included in the system. Perhaps it would be better to read this clause specifically:

> The National Company may aid and assist, in any manner, any other or others of the said companies and, without limiting the generality of the foregoing, may for its own requirements and also for the requirements of any other or others of the said companies from time to time:—
>
> (a) Apply the proceeds of any issue of notes in meeting authorized expenditures on its own account or on account of any other or others of the said companies;
>
> (b) Make advances for the purpose of meeting authorized expenditures to any other or others of the said companies, upon or without any security, at discretion;
>
> (c) Apply any and all accountable advances made by the Minister of Finance to the National Company under the provisions of section four of this Act on account of the net income deficits, in the said section described, of the National Company, or of any other or others of the said companies.

Right Hon. Mr. GRAHAM: Those are companies that form part of the National system?

Right Hon. Mr. MEIGHEN: Yes. They are really, in their various relationships, subsidiaries of the Canadian National Railways.

Right Hon. Mr. GRAHAM: I suppose that section is essential by reason of the fact that there are included in the Canadian National Railway System as many, I think, as 104 companies, not a few of which, while they form part of the Canadian National, continue in their existence under their original names.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. GORDON: And all on relief.

Hon. J. A. CALDER: It has just occurred to me that we should probably get some information with regard to certain conclusions that we came to some two years ago. At that time we held a lengthy inquiry before the Railway Committee, and after great struggle we finally decided that the two railway companies should co-operate with a view to reducing the millions required each year. It seems to me the time has arrived when this body should look for a little information as to what actually has been accomplished under the provisions then made. We all hoped for great things. There was a good deal of talk about a saving of millions upon millions of dollars. I for one, and I think probably every other member of this House, would like to know just what has happened during the past two years, and whether the co-operation provided for has actually taken place, and what are the prospects for the future. I realize that there is not time to obtain that information now, but I really think that we should take some steps to secure it after the adjournment. It would not take very long. I think that if we had Mr. Hungerford and Mr. Beatty here for one day it would be sufficient.

Hon. Mr. BALLANTYNE: Mr. Fullerton.

Hon. Mr. CALDER: Yes, Mr. Fullerton or Mr. Hungerford. If we had them here for one day we could, I think, ascertain what the situation is, what they are aiming at, and when we may expect to get results which will be a little more substantial than those secured during the past two years.

Right Hon. Mr. MEIGHEN: There will be no objection on the part of the Government to the Railway Committee requesting those officials to appear and report on progress. Speaking very generally, and very briefly, the effect of the measure then passed has been good. There has been some degree of co-operation, and so far as I know there has been nothing in the way of friction in the working out of its provisions. As to the extent of the savings effected, I do not think they have been such as were perhaps anticipated by the House as a whole. This is no time to debate the question whether that is the final solution or not; but we are certain that at least deficits are steadily, if slowly, decreasing. I do not think we can expect them to be reduced at any rapid rate, because a large proportion of the properties of the Canadian National Railways were not built in the first place to produce revenue, nor were they intended primarily to serve that purpose. They were built as colonization roads and for collateral and national purposes. Consequently they do not lend themselves to such a reduction of deficits as might have been expected if they had been constructed in the first place to make money as part of a great national system.

Hon. C. C. BALLANTYNE: Honourable senators, I find myself quite in sympathy with the honourable senator from Saltcoats (Hon. Mr. Calder). I for one am not altogether satisfied with the economies that have been brought about. I recall very clearly that when the railway officials appeared before our Committee on Railways, Telegraphs and Harbours they freely stated that even if the provision for the arbitral tribunal were removed from the measure then under consideration they could, by voluntary co-operation, combine the telegraph offices and express offices, close up hundreds of such offices in this country and elsewhere, and pool their terminals. All that has been done, so far as I can learn from the press and other sources, has been to pool train services. I think, therefore, it would be quite in order for us to hear from Mr. Beatty and Mr. Fullerton what has been accomplished to date and what is to be done in the future. I for one thought that all these things I have enumerated would have been dealt with. I regret to say that such has not been the case.

Hon. JAMES MURDOCK: Honourable senators, if there is any intention of having these gentlemen before the Railway Committee to give information with respect to the questions that we are now discussing, I hope instructions will be issued to them to bring data regarding each and every one of the proposed plans of co-operation that have been considered as between the two railroads during the past fifteen months, in order that we may ascertain in detail what has prevented the further co-operation which the Railway

Committee and the Senate believed was to follow the passage of the measure providing for co-operation between the two railroads. If the gentlemen who have just been mentioned are brought before the Senate committee merely to give general information, it may not be of much use. I do not think that is what we require. We have all heard about the argument that is intended to conceal thought. What we want is concrete information that will show what proposals have been made by either company to bring about further co-operation in the pooling of trains, the merging of yards, and other matters of that kind. Then the Senate will be in a position to know where to place the responsibility for the fact that more has not been accomplished under the provisions of the Act than is evident.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Sir Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend The Farmers' Creditors Arrangement Act, 1934.

An Act to establish an Economic Council.

An Act to amend the Royal Canadian Mounted Police Act.

An Act to amend The Gold Export Act.

An Act to provide for the rehabilitation of drought and soil drifting areas in the Provinces of Manitoba, Saskatchewan and Alberta.

An Act to provide for the deduction from compensation in the Public Service.

An Act to amend the Income War Tax Act (Special Tax).

An Act to amend the Canadian Farm Loan Act.

An Act respecting Radio Broadcasting.

An Act to amend The Copyright Amendment Act, 1931.

An Act respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1935.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

Hon. Mr. MURDOCK.

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

The House of Commons withdrew.

The sitting of the Senate was resumed.

EASTER ADJOURNMENT

Right Hon. Mr. MEIGHEN: Honourable members, I move, in accordance with the intimation of two or three days ago, that when the Senate adjourns to-day it do stand adjourned until Tuesday, the 21st day of May, at 3 o'clock in the afternoon, daylight saving time, if such is then in effect in the city of Ottawa.

The motion was agreed to.

The Senate adjourned until Tuesday, May 21, at 3 p.m.

THE SENATE

Tuesday, May 21, 1935.

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

Prayers and routine proceedings.

TRIBUTES TO DECEASED SENATORS

THE LATE SENATORS BELAND, MARTIN AND LEWIS

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable senators, although it is little more than a month since we adjourned, we find on reassembly that no fewer than three of our number have been removed by the hand of death.

The first of those who have passed from our midst since the adjournment was the very distinguished gentleman from the province of Quebec, Senator Béland. I have had the privilege of sitting in both Houses of Parliament in company with him. He was in the House of Commons when I first entered it in 1908, and was there when I ceased to be a member in 1926. During the short period that I have had the honour of a seat in this House his genial face has confronted me each day.

The senator was but twenty-seven when he entered public life in his province, being elected twice, I think, to the Legislature of Quebec. He was first elected to the Dominion Parliament, I think, in 1902, and was afterwards returned without any electoral casualty. He never knew defeat, having been successful seven times. Those of us who came to know him during those years will have little diffi-

culty in understanding why he would appeal to the electors who were close to him and with whom he lived, and how he would gain and retain their confidence throughout life.

He was a man of most attractive personality, and of a kindly and generous disposition. I never knew him out of humour. He was gifted to a very extraordinary degree with those qualities which are peculiarly useful in public life. Born in the bosom of old Quebec, brought up doubtless to speak the French language alone, he acquired a command of English equalled by very few, indeed rarely approached, even by those whose native tongue it is. I always admired his sentences for their dignity, grace and perfect construction, such as we of English birth and rearing rarely attain. In this I always thought he approached that great master of the art of expression, who also came from the province of Quebec, Sir Wilfrid Laurier.

Senator Béland's delicate health of late years was a source of concern to us in this House and to all his friends. He never permitted himself to be deceived as to his precarious tenure of life, and doubtless he met the end with the courage which sustained him throughout a long and eventful career.

To his widow we extend our sincerest sympathy; and in doing so we do not fail to recall that at a period of great anxiety and peril he suffered the cruelties of imprisonment because on the outbreak of the War he volunteered for service on behalf of Belgium.

Senator Martin came to this House from Halifax in 1921. I had the honour of recommending him for appointment to the Upper Chamber after four years' service in the House of Commons. He was one of those in the ranks, and his only ambition was to stay in the ranks. He served in the field of practical effort, where the lot of the vast majority of us falls, and he maintained to the end all the characteristics with which he was endowed when serving merely in a private capacity in Nova Scotia. When one remembers that for eighteen years he was a member of the Board of Aldermen of Halifax, for six years a member of the School Commission, for three years Mayor of that city, that he was then elected by acclamation to the House of Commons, and from that House came here, all this spanning a great breadth of time during which each year was a witness to the strength of his hold upon the people who knew him, one realizes the kind of man Senator Martin was. Unfortunately, disability in later life prevented his being with us regularly. After four score years of great strength, he has gone to his reward. To his family, a large one and so far as I know—and I do know in certain regards—a very creditable one, and to his widow, we extend our deepest sympathy.

The last to depart from our midst was Senator Lewis, of Toronto. I for one was surprised to learn that he had already reached the age of 77 years. He was of the province of Ontario from birth unto death. The son of a teacher in Toronto, there he was born and there he lived his life. While a student of law for some years, his natural bent towards journalism asserted itself and he went into newspaper work. In that he spent his entire life until his elevation to this body. For 35 years he was an editorial writer for the larger papers of the city of Toronto. Of his ability as a writer little need be added when one notes the responsible posts he occupied for so long a period. Possibly the best critic of editorial writing in our country has expressed the view that, granted his point of attack and the correctness of his vision, there was no Canadian who excelled him in the ability to express himself and place a situation before his readers. Two days of a serious disease ended his hold on life. I am sure all of us who sit on this side of the Chamber, as well as all who sit opposite, will miss him very much. To his family we extend our sincere and lasting sympathy.

Hon. RAOUL DANDURAND: Honourable senators, I am sure that the numerous friends of Senator Béland within this Chamber and outside will be grateful to the right honourable gentleman for his very kind and sympathetic words with regard to our departed colleague, who left us so abruptly. My right honourable friend's knowledge of him came from almost daily contact over a period of years. It was my privilege to sit with Hon. Dr. Béland in Council for a number of years, and during that time I was able to appreciate all that my right honourable friend has said of his sweet disposition, his poise, his judgment. I also had occasion to enjoy his friendship while travelling abroad with him. I leave it to my honourable colleague from Rougemont (Hon. Mr. Lemieux), his most intimate friend from the day he came to this Parliament, to express in his felicitous manner our tribute to the Hon. Dr. Béland.

My right honourable friend (Right Hon. Mr. Meighen) has spoken also of the Hon. Mr. Martin, of Halifax. I had not the opportunity of being intimate with him, but I came into occasional contact with him in this Chamber. I realized that he was an acquisition to this House by reason of his complete knowledge of the needs of his province, gathered

during his long public career in Halifax. Coming from the several provinces of this Dominion, we bring our special knowledge of conditions that prevail in our various localities. The Hon. Mr. Martin had special knowledge of the needs and aspirations of the people among whom he had dwelt and whose confidence he retained for so many years while alderman or mayor of Halifax.

Senator Lewis was splendidly equipped for a parliamentary career by his long training as a journalist and his thorough knowledge of political history. He was familiar with all the problems which this Parliament has had to solve during the last fifty years. He was a student with a philosophic mind. He was regarded as somewhat of a radical by the reactionary element, but never was he in the least aggressive. He had a gentle disposition, somewhat retiring and modest. By his death this Chamber loses a valuable and highly gifted member.

I join my right honourable friend in tendering our heartfelt sympathy to the families of the departed senators.

Before resuming my seat I may be allowed to read a letter I have received from Madame Béland, asking me to thank all my colleagues who have been so kind in expressing deep appreciation of the life of Dr. Béland and sympathy with her in her great loss:

(Translation)

Dear Senator,

Will you have the extreme kindness to transmit to the colleagues of my dear husband, in the Senate, and to accept for yourself, my most sincere thanks for the touching manner in which you all showed your profound attachment to the dear departed.

I know you grieve over his departure. He was one of those exquisite beings beloved by all. To me, the loss is irreparable.

It is most consoling to me to know that his friends share in my sorrow.

Yours grateful and sorrowing,

Henriette Béland.

Hon. RODOLPHE LEMIEUX: Honourable members, I join with both leaders of this House in offering my sincere sympathy to the families of our three departed friends.

Our late colleague Dr. Béland has gone down in the full splendour of his meridian. I wish I could express adequately the sorrow we all feel when we think that he is departed, that we shall no more press his loyal hand, nor enjoy his cheerful conversation.

He and I were old friends; indeed, forty-five years ago I became acquainted with him, when he was still a budding young student in his native town of Louiseville, in that community of well-to-do farmers where his forbears had settled in a verdant plain dotted with church spires, with the Laurentian hills as a background, and had laboured and prospered. I, at once, had been subdued by his eloquence and attracted by his charming personality. As years rolled by, we became very much attached to each other.

He was about to receive his medical degrees from Laval University. He then left Canada to practise his profession in one of the New England centres, so that he might master the English language. He returned in time to be elected in Beauce county for the Provincial Legislature, but soon gravitated to the Dominion Parliament, and since then he has sat continuously, first in the Commons and later in this Chamber.

Senator Béland was a power before the people, and I know of few men who were as dearly beloved by their electors as our late lamented colleague.

He possessed to an unusual degree the grace, the intellect and the impulsive generosity of his race. He lived in the lives of his people, bled in their wounds and wept in their sorrows. He endeared himself to all because he naturally applied his heart to their heart and felt its beatings.

Who in this Chamber can ever forget his radiant smile and his genial mind?

One of his last speeches—I think it was his last—was his firm and loyal stand on behalf of his profession, a stand which reminded us of that noble book written by Honoré de Balzac on the Country Doctor, that humble servant of the people, rich or poor, healer of ills and consoler of human miseries, ever ready to answer the call of his patients, by day, by night, in fair or foul weather, giving but a fleeting thought to the question of material reward.

As a public servant Dr. Béland first came prominently before the country on the ever-perplexing problem of the better conservation of natural resources. At the request of Sir Wilfrid Laurier he had been appointed, with Sir Clifford Sifton, to represent the Dominion at the notable North American Conferences convened at Washington by the late Theodore Roosevelt.

He also took a deep interest in public health matters. In recent years he published several useful tracts which were made part of the curriculum of our colleges, schools and convents.

It is generally acknowledged that as Minister of National Health and of Military Pensions he made a name for himself. He had a thorough grasp of such problems and applied himself assiduously and successfully to their solution. His sole objective was the

public weal and the welfare of returned soldiers. To serve was ever his watchword.

He gave a striking evidence of his desire to serve, when in 1914, during those fateful advances of the German invasion, he—a Canadian doctor—chose to serve in the military hospitals of Belgium. He knew what risks he was taking. He soon became a prisoner of war. He accepted his fate, cruel as it was, uncomplainingly. We all know through what an ordeal he passed during his years of internment in the Berlin jail. Our hearts melted as we were apprised of ills that befell him all of a sudden. We were proud of him, because we knew how chivalrous he was. Of course, he soon disarmed the enemy by his equanimity, his cheerful countenance, his wit, and also by the readiness with which he freely tendered medical services to friends and foes alike.

The good doctor, a perfect gentleman, won the admiration of all. But he was too rich a prize for Germany to be given the freedom which the laws of humanity commanded. So he languished in jail, and there, behind the bars, he felt the first attacks of the fatal illness which finally so emaciated his features that he said frequently: "I shall die soon; I know it: I am ready."

Our colleague was a man of deep religious convictions and was prepared to appear before his Creator. Some weeks ago, when about to leave on a trip for a rest cure, he said to the honourable senator from Grandville (Hon. Mr. Chapais) and myself: "I am going south in search of the sun." He left, but alas! it was not to bathe in the sun nor to breathe the balmy breeze of the South, but to enter the Valley of Shadows, that bourne whence the traveller does not return.

We shall see him no more, but his name will long live with the people he served so well. His memory will be preserved by Parliament, which he has adorned these many years, and in whose halls he leaves the imprint of a puissant intellect and a chivalrous soul.

To his bereaved widow, to his dearly beloved children, to his family so highly respected in my province, I beg to offer, in your name, the homage of our profound sympathy.

Right Hon. GEORGE P. GRAHAM: Honourable senators, I do not rise to attempt to add anything to what has been so well said by the right honourable leader of the Government and our leader on this side and by the honourable gentleman who has just taken his seat. I fully concur in everything they have said. Any person who knew our late colleagues will agree that nothing has been overstated in paying tribute to their memory.

As an Ontario man I should like to add my tribute to the memory and worth of John Lewis. I have known Senator Lewis for so many years that I would not attempt to state, even approximately, when I first met him. I met him in newspaper work, and was at once attracted to him, not by what he said, but by what he wrote. In listening to Mr. Lewis, as he then was, one was not impressed with the driving force of his utterances; but those utterances, once read, were found to be not only impressive, but inspiring.

Honesty of purpose was an outstanding characteristic of Senator Lewis. He believed in everything he advocated, and he was ready to condemn anything he did not believe in. He shrank from what we call the hand-to-hand struggle, but took his own quiet way; and, given a pen, he could discuss any question of public interest with as great clarity as, and perhaps more convincingly than, any of the rest of us in this House. When I first entered journalism as a young man, although we were about the same age, I always took great pleasure in having a quiet talk with John Lewis. No matter how convinced one might be before seeing him, he always left an impression that influenced one's future treatment of the question that had been discussed.

I never dreamed, of course, that he was so near his end. One characteristic that impressed me all through his life was—and you will have noticed it here—that he sympathized with that portion of the community, no matter what it might be called, which he felt was not getting fair play. John Lewis was always a sympathizer with those who were down. Except in his profession, he never aspired to climb, or to be classed as an aristocrat, or as one of those who were above him in station.

I never came in contact with another man from whom I could get as much information in such a short space of time as I could get from John Lewis. Whatever question one introduced he could discuss intelligently, as a man who had read, digested what he read, and thought about it. He was broad-minded, but very persistent in adhering to what he believed was right, even though others might not agree with him. His request that a certain rabbi be asked to make an address at his funeral was one evidence of his broad-mindedness and of the breadth of his friendship. That address, which was most eloquent, did not take the place of the regular church ceremony, but was in addition to it. Anyone

who did not hear the address could hardly realize the effect it had upon those who heard it, because it was known that Senator Lewis had requested it.

Through our lives we shall find many men whose utterances are more emphatic than were those of John Lewis, but we shall never find anywhere a man with opinions more soundly or honestly formed. Though there may be men in this Parliament, or elsewhere in Canada, who will be more talked about than Senator Lewis, we shall never find any person whose words and utterances will follow us more constantly through life. I join with those who have already paid tribute in extending my sympathy to the widow and family of the late Senator Lewis.

Hon. H. C. HOCKEN: Honourable senators, while joining with those who have spoken so eloquently of the late Dr. Béland and the late Peter Martin, I want, in a few words, to pay a special tribute of respect and esteem to my old friend the late John Lewis. Our friendship began, I think, before his friendship with any other man who knew him, or before mine with any man I know. We were boys together in the primary school.

Senator Lewis subsequently entered upon newspaper work, as I also did. Forty years after we were in school together we found that we were both engaged in newspaper work. He was the editor of the Globe, writing Liberal editorials at the corner of Melinda and Yonge streets, while I was editor of the News, a Conservative paper published only two blocks farther up the street. So we were in constant contact, and our friendship was enduring. While his views were different from mine, there was never anything between us but the warmest friendship. He was a man who had regard for the fact that there were two sides to every question, and he was always able to consider the side of his opponent. I hope I was too. He was distinguished for the moderation of his writing and the fairness of his argument. He was never violent in his argument or in his advocacy of any cause; he was always logical and fair, and, according to his views, perfectly just. It was but natural that throughout a rather extended life a man of that type should never make an enemy. By reason of his fine qualities of fairness and tolerance, and his willingness to consider the other man's position, he was the enemy of no man, and no man was his enemy.

One of Senator Lewis's striking characteristics was his passion for personal liberty: he allowed no man to infringe on his liberty, and infringed on the liberty of no man. He thought that if a man was sincere in his convictions he should not be violently criticized for holding them. He was a fine, tolerant, Christian, Canadian gentleman, and by reason of his judicial temperament was eminently fitted for the place he was given in this House. In our own city, where he lived practically all his life, he was as highly esteemed as any man, and justly so, for his qualities of mind and heart.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. COPP, on behalf of the Chairman of the Committee on Divorce, presented the following bills, which were severally read the first time:

Bill X, an Act for the relief of Nora Ellen Moore McCabe.

Bill Y, an Act for the relief of Hildur Emilia Hill Soucy.

Bill Z, an Act for the relief of Ethel Ellis Callow Randles.

MINIMUM WAGES BILL

SECOND READING

The Senate resumed from Wednesday, April 17, the adjourned debate on the motion of Right Hon. Mr. Meighen for the second reading of Bill 40, an Act to provide for Minimum Wages pursuant to the Convention concerning minimum wages adopted by the International Labour Organization in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding parts of the other treaties of peace.

Hon. RAOUL DANDURAND: Honourable senators, when my right honourable friend moved the second reading of this Bill I expected a somewhat fuller explanation than he gave. He referred to the debate which had taken place when the draft convention was before us for approval. After looking through the Bill I am strengthened in the conviction that it is a matter which for practical effect and application is more of a provincial than of a federal nature. The reason given for this legislation has been the desirability of establishing uniformity in minimum wages throughout the country. Yet I find in the Bill itself a provision that the Governor in Council may make exceptions where conditions in different areas vary so greatly as to justify the conclusion that in certain instances the wage scale can be better regulated by the provinces. When we were discussing the draft convention I emphasized the point that conditions are not alike in all the provinces, from one seaboard to the other, and the wording of the Bill shows a recognition

of the fact that the variation in different areas may be considerable. I will not refer to the terms of the Bill, but my conviction that this is a matter which might well be left to the provinces is substantiated by the various clauses of the measure.

Perhaps my right honourable friend will explain to us why it is that, according to section 12—

This Act, except section four, shall come into force when assented to, and section four shall come into force when proclaimed by the Governor in Council.

I find it difficult to imagine how the rest of the measure could be of any utility if section four were not put into force. My right honourable friend may explain this now or when we go into committee.

Right Hon. Mr. MEIGHEN: I should prefer to give the explanation in committee. Though it is a matter of an important detail, still it is a detail.

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, May 22, 1935.

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

Prayers and routine proceedings.

ST. LAWRENCE RIVER CHANNEL

INQUIRY FOR RETURN

Before the Orders of the Day:

Hon. Mr. POPE: Before the Orders of the Day are called, I desire to remind the Government of the fact that in March I moved for returns in connection with the digging of the canal system of the St. Lawrence river. If the Government is not dead, or if the Minister of Public Works has not been replaced, I think it is time I had my returns.

I also desire to give notice that next Tuesday I shall ask the Government for a return of the annual report as made by the permanent engineer of the Montreal Harbour. I trust I shall receive some response to my request.

Right Hon. Mr. MEIGHEN: I remember the order made by the House. As the return is a lengthy one, I presume its preparation would take considerable time. The fact that preparation of a return takes two months is no evidence that the Government is dead. I well recall that while I was in opposition in the other House a return was delayed nearly three years by a Government which felt it was very much alive.

THE LATE SENATOR SCHAFFNER

TRIBUTE TO HIS MEMORY

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable members, I have just heard the very distressing news of the death of another of our number, the Hon. Senator Schaffner. We naturally and inevitably feel a sense of shock at news received so suddenly as this during the progress of a session, though all of us who have been intimate with the senator were aware for months that his physical strength was rapidly diminishing. Having represented for many years, and having lived for a still longer time in, the province of Manitoba, from which Senator Schaffner came into political life, I knew him extremely well, worked with him, and met him constantly, politically and socially, for a period of nearly three decades. Like many others who have been successful in our Western Provinces, he was born in the eastern Maritime Provinces of this country. He was of German and English parentage, and the thoroughness and devotion to work characteristic of both races were well exemplified in the character and career of Senator Schaffner. For many years he practised medicine in the southern portion of Manitoba, in one of the finest districts of that province, and there he attained a very high and creditable standing not only in his profession, but in civil and community life.

In 1904 he first contested a seat in the Dominion House and was successful by a considerable majority. This success was repeated in 1908 and 1911, and from the House of Commons he was raised to this Chamber in October, 1917. We all know the services he has rendered to Parliament and the country in his capacity as a member of important committees here. We know of his devotion to duty and his uniform courtesy, and we know particularly also of the kind disposition and friendly character of his good wife. We all lament his loss, though he had almost reached the age of four score years. His colleagues in this House, and particularly those who have known of the constant attendance and poignant anxiety with which Mrs. Schaffner has laboured with him for many months past, extend to her the deepest and most heartfelt sympathy in this her irreparable loss.

Hon. RAOUL DANDURAND: My right honourable friend has spoken of the qualities which distinguished our lamented colleague, Hon. Dr. Schaffner, who has just left us for a better world. I confess that I did not know very much of his political activities prior to his coming to this Chamber. We have been together now for nearly eighteen years and gradually I have come to appreciate more and more his excellent qualities. He was, as my right honourable friend has indicated, courtesy itself.

I happen to know of the change that came over his mind with respect to the men with whom he came into contact, or met in combat, in political life. I learned that he had been one of the sternest and strongest party men to be found in Manitoba; that he had waged a war, which for him was a holy war, against an enemy in whom he saw no good at all. That state of mind was not peculiar to himself, for in my early years I was perhaps as aggressive a politician as he. But I had opportunity to observe how he mellowed and came to realize that we human beings are made of virtually the same clay and actuated by the same sincerity in our political alliances and affiliations. In 1926 or 1927, when about to cross the ocean—I think, for the first time —he asked me if I could give him any letters which would enable him to see His Holiness the Pope. I did all I could to that end. On reaching Geneva a few months later I heard that he had passed through that city and seen his old deskmate of the House of Commons, Sir Herbert Ames. Sir Herbert asked him how he liked the atmosphere of the Senate, and he answered: "Compared with the House of Commons, it is as day to night. In the Senate I have met men who are actuated solely by the desire to revise legislation to the best of their abilities, without any political or electoral consideration. Sometimes I sit in at a debate in which half a dozen lawyers on one side and half a dozen on the other deal with a particular piece of legislation until late in the evening." He referred to the Bankruptcy Act, every clause of which had been discussed by my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) and the late honourable Senators Béique and Sir James Lougheed. I remember seeing Dr. Schaffner sitting from eight o'clock in the evening until half past eleven, thoroughly enjoying the work that was being done. He expressed to Sir Herbert Ames his appreciation of the fact that we members of this Chamber, Liberals and Conservatives, attended quietly to the serious work of considering legislation without having in mind political advantages that might accrue to one party or the other. And Sir Herbert Ames expressed his surprise at such a transformation: one whom he had known as among the sternest and strongest party men in the House of Commons had so mellowed that he saw no difference between sitting behind Sir James Lougheed and sitting behind Senator Dandurand.

I mention that because it revealed to me the human nature of Dr. Schaffner at its best. I had already discovered his kind qualities of heart and mind, and to this day I have felt towards him the most sympathetic and friendly sentiments. I am sure I express the feelings of everyone on this side of the House when I say that we all join in extending to his family our deepest sympathy.

ADJOURNMENT

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I am glad to be able to report that the Committee on Banking and Commerce has finished, this afternoon, its labours on the Unemployment Insurance Bill, No. 8. The committee, I think, has been engaged constantly on the Bill for nearly two months.

The Committee on Banking and Commerce meets this afternoon immediately after adjournment of the House to consider Bill 21, with respect to the eight-hour day.

Hon. Mr. LEMIEUX: Can the right honourable gentleman advise us as regards the Senate sitting on the 24th?

Right Hon. Mr. MEIGHEN: I can assure my honourable friend that this House will not sit on the 24th of May. I rather feel, though, that we should sit next Monday.

Hon. Mr. LEMIEUX: In the evening?

Right Hon. Mr. MEIGHEN: I should like to say in the evening, but our work in the Banking and Commerce Committee is pressing and is far behind. My hesitancy about mentioning the evening is due to the fact that I think the committee should sit in the forenoon of Monday and if the House is not to sit until the evening there may not be a quorum in the committee.

Hon. Mr. DANDURAND: I would suggest that inasmuch as there may be very little, if any, business on the Order Paper for Monday evening, we might meet at 8 o'clock, adjourn in a short time, and devote the whole evening to the work of the Banking and Commerce Committee.

Right Hon. Mr. MEIGHEN: I will accede to the request this time. If we meet on Monday we shall meet in the evening. I shall make a definite announcement to-morrow.

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

THE SENATE

Thursday, May 23, 1935.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill A2, an Act respecting the Sarnia and Port Huron Vehicular Tunnel Company.—Hon. Mr. Little.

Bill B2, an Act respecting the patent of Lillian Towy.—Hon. Mr. Lynch-Staunton.

Bill C2, an Act respecting the Wapiti Insurance Company.—Hon. Mr. Horsey.

EMPLOYMENT AND SOCIAL INSURANCE BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 8, an Act to establish an Employment and Social Insurance Commission, to provide for a National Employment Service, for Insurance against Unemployment, for aid to Unemployed Persons, and for other forms of Social Insurance and Security, and for purposes related thereto.

He said: Honourable members, this Bill has been before the Committee on Banking and Commerce for some four weeks of almost continuous sittings. The committee has made many slight changes in the Bill and a few important ones; in all, fifty-one.

I have in mind when I present a Bill of this kind the remark that was frequently made in past years by a most distinguished member of this House, the late Right Hon. Sir George Foster, that an explanation should be given. This is often very embarrassing, and I should not like to be held down too strictly in attempting to explain this Bill. At the risk of wearying honourable senators who are members of the committee, but for the benefit of those who are not, I am going to make a few explanatory remarks.

You all know the object of the Bill. The general provisions are these. The Government of the day shall set up a commission, to consist of three members. The chairman is to be appointed by the Government, and the other two members are to be appointed by organized employers and organized employees, respectively.

Right Hon. Mr. MEIGHEN: Not appointed; nominated.

Hon. Mr. BLACK: Nominated. The cost of the commission, including salaries, organization expenses, and every expenditure connected with it, is to be borne by the federal treasury. The insurance fund is to be made up of contributions by employers, employees and the federal treasury, the last mentioned to contribute twenty per cent of the fund. The weekly rates of contribution are set forth in the Bill, being 25 cents a week for male employees of twenty-one years and upwards, and 21 cents a week for female employees of twenty-one years and upwards, in addition to which an equal amount will be contributed by the employers. In the case of minors the contributions are scaled down to as little as 7 cents a week. The benefits receivable are listed on page 35 of the Bill. In the case of a man the amount is not to exceed $1 a day, or $6 a week, and in the case of a woman 85 cents a day, or $5.10 a week. Smaller sums will be received by unemployed persons who are under the age of twenty-one.

Under the provisions of the Act a beneficiary is entitled to receive benefits for a period not exceeding 78 days in any one year, and if he has dependents there is provision for additional sums. Broadly speaking, 78 days is the limitation. There are a number of exemptions, to which I shall perhaps refer more particularly when I take up one or two of the amendments which we made. Those exceptions from the provisions of the Bill are to be found on page 8, section 16, and page 31, schedules, Part II.

In order to be eligible for relief payments the applicant must be in good standing, must have contributed for not less than forty weeks within a period not exceeding two years, and must have been engaged in an insurable employment. Further, under section 20 of the Bill, proof must be presented by the applicant for relief that he or she is capable of and available for work and has been unable to obtain suitable employment. I mention this because it seemed to members of the committee to be important to provide against imposition by persons seeking relief to which they were not entitled.

There are penalties for employers of labour who evade in any particular the provisions of this Bill. Fines may be imposed, and if necessary they may be made exceedingly drastic.

Another statement that might help to clarify the measure to some honourable members is that the collection of contributions by both employees and employers must be made by the employers. The record of payments must be kept on books or cards, somewhat similar to a time book or time card. To these books or cards a revenue stamp, or some type of stamp to be devised, amounting to 25 cents or less, as the case may be, will be affixed every week for the employee, if the measure is strictly conformed to, and a stamp of the same amount for the employer; and the employer is responsible for seeing that this is done. These books or cards will be kept in the possession of the employer, if that is found to be most convenient, though it is not essential under the Bill as I understand it. At the end of every week the employee may have access to his own book or card. The books or cards must be open to examination by inspectors in the various divisions.

Regional divisions are to be set up by the Commission, as I have already intimated. In each of these areas there will be a central office and also certain bureaus which will really be employment agencies or clearing-houses for information respecting employees seeking work and employers seeking workers. The name of every person out of employment and on relief must be registered at one of these places, and any person who is offered employment and does not take it is liable to lose the benefits provided for by the measure.

As I have said, the committee made a large number of amendments, but I shall refer to only a few of them.

Section 16, subsection 1, paragraph (a), on page 8 of the Bill as it came to us from the House of Commons, provides that where any employed person proves that he is "in receipt of any pension or income of the annual value of $365 or upwards, which does not depend on his personal exertions," he shall not be liable to contribute, nor shall he be insured under this Act. That paragraph has been taken out. I do not think this needs any particular comment.

The next material alteration in that part of the Bill was to section 27, on page 17. There was a proviso for the referring of applications to the Exchequer Court, and it was decided by the committee that it was not advisable to have such references made to that court, as the possibly numerous applications might necessitate a large increase in that branch of the judiciary, and the work it had been intended to pass on to that court might better be done by the Commission, which would be more conversant with the whole situation. So that proviso has been taken out.

Then in section 35, subsection 7, page 25, it was provided:

> The Commission may open and maintain deposit accounts with chartered banks and any balances so maintained shall form part of the fund.

The effect of that has not been changed, but we have broadened it so as to bring within the purview of that subsection two banks, I think, which operate in the province of Quebec under special charter.

On the subject of exemptions I think I should say a word or two. I have not a note on this before me. Paragraph (f) of Part II of the schedules provided that employees in banks, insurance companies and financial institutions generally should be exempted from the provisions of the Bill. The committee heard evidence from representatives of banks, insurance companies, trust companies, department stores, wholesale and retail merchants' associations, organizations of different classes of merchandisers, telephone companies, railways and other bodies, all of whom wanted to know why, if exemptions were to be granted at all, the privilege should not be extended to them. Very strong arguments were presented to show that certain industries and parts of others should be exempted, and I think the majority of the committee were convinced that if we did recommend the exemption of banks, insurance companies, brokerage houses and financial institutions generally, there were other institutions which had almost equally good claims to similar treatment. Perhaps not all those other institutions could show such a high percentage of steady employment as the banks and financial concerns in general, yet in many cases the difference was so slight that if exemptions were granted at all it would be difficult to draw a line, and the whole structure of the measure would be ruined, because there would not be enough contributors to keep the insurance fund on a basis sufficiently strong to enable it to benefit those who in future would need to depend upon it.

The Bill does not propose to take care of existing unemployment. That is to say, the object is not the elimination of the so-called dole at the present time, but rather the providing of insurance against unemployment of people who are now working. It is based on the assumption, which I think is a reasonable one, that eventually industry will revive to a greater extent than it already has done, and that those who in future become unemployed will be taken care of by this insurance fund, so that the dole or unemployment

relief, which is now being paid throughout Canada, will ultimately be reduced to a minimum.

Honourable members, these remarks cover the principal amendments and features that I can think of at the moment.

The Hon. the SPEAKER: When shall these amendments be taken into consideration?

Right Hon. Mr. MEIGHEN: Now.

Hon. Mr. DANDURAND: No, not now; Tuesday.

Right Hon. Mr. MEIGHEN: All right, Tuesday next.

Hon. Mr. BLACK moved that the amendments be taken into consideration on Tuesday next.

The motion was agreed to.

REPORTS OF STANDING ORDERS COMMITTEE

Right Hon. Mr. MEIGHEN: Honourable members, the fourth report of the Standing Orders Committee was dealt with to-day, and I rather thought it was the intention of the chairman of the committee that its fifth report also should be considered. But other matters of business intervened and there was no motion to adopt the fifth report. It was merely a report as to certain formalities being complied with in respect to some private bills. I see no reason why that should be delayed until next week.

The Hon. the SPEAKER: I am informed that there is no need for a motion.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill X, an Act for the relief of Nora Ellen Moore McCabe.—Hon. Mr. McMeans.

Bill Y, an Act for the relief of Hildur Emilia Hill Soucy.—Hon. Mr. McMeans.

Bill Z, an Act for the relief of Ethel Ellis Callow Randles.—Hon. Mr. McMeans.

BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: Honourable members, I beg to move that when the House adjourns to-day it stand adjourned until Tuesday next at 3 o'clock. I take this opportunity of pointing out that it is necessary for the Banking and Commerce Committee to hear representations in respect to the eight-hour-day Bill, which is at present before the committee, and the first date on which those representations can conveniently be heard is next Tuesday. The committee has already gone through the whole Bill clause by clause and is awaiting such arguments as may be advanced before it finally decides upon the form of certain provisions. In the light of this situation there is no value in meeting on Monday. Consequently I have moved adjournment until Tuesday next at 3 o'clock in order that we may be certain to have a good attendance at the Banking and Commerce Committee when it meets Tuesday forenoon at 10.30. I ask honourable members to note the time.

Hon. Mr. PARENT: I would remind the right honourable gentleman that railway connections between Quebec and Ottawa are very bad. I submit that as a member of the committee I should not be called upon to be here at 10.30 in the morning when the Senate does not meet until 3 o'clock in the afternoon.

Hon. Mr. GRIESBACH: Why go away at all? Why not stay here?

Hon. Mr. PARENT: Surely when the Senate is not called to meet until 3 o'clock in the afternoon I cannot be called here for 10.30 in the forenoon.

Right Hon. Mr. MEIGHEN: The committee is called for 10.30 in the morning. That I cannot change. The honourable member has been called. You can call spirits from the vasty deep, but they may not come. I hope the honourable gentleman will not act like the spirits. Persons from Ontario, the Maritimes and Quebec have been summoned to be here on Tuesday morning. If the Senate adjourned until the evening of Tuesday we might have no quorum of the committee that morning. We do not want this to occur. I have no doubt there will be a good attendance of the Banking and Commerce Committee in the morning if the Senate is to meet at 3 o'clock in the afternoon.

Hon. Mr. PARENT: The matter is not very important, but I would point out to the right honourable gentleman that unless I can reach Montreal at an early hour in the morning I cannot be here in time for the committee meeting.

Right Hon. Mr. MEIGHEN: I understand that.

Hon. Mr. PARENT: As I have said, rail connections between Quebec and Ottawa are very bad.

Hon. Mr. L'ESPERANCE: If the honourable member leaves Quebec at 1.30 in the afternoon of Monday he will be here at half past ten in the evening.

Hon. Mr. PARENT: But that involves a waste of valuable time.

Hon. Mr. MacARTHUR: I understand the eight-hour-day Bill is the only business now before the Banking and Commerce Committee, and the Price Spreads Bills will not be ready for two or three weeks. Perhaps the right honourable gentleman can tell us something about the probabilities as to the House sitting all through next week. If there is to be an interval of, say, ten days, we from the Maritimes might find it convenient to go home.

Right Hon. Mr. MEIGHEN: I notice that the Commons are adjourning over to-morrow, as we are. I do not know their intention as to sitting next Thursday. If they do sit then, with the arrears we have I shall probably ask this House also to sit. But it is just possible the Committee on Banking and Commerce may be able to conclude its consideration of Bill 40, as well as of Bill 21, on Tuesday and Wednesday. Bill 21 is very much shorter than Bill 28, which the committee has just disposed of. We shall try to meet honourable members with respect to Thursday next. If, however, failure to sit on that day would induce senators from the Maritimes to remain away next week, I think we might overcome every scruple of conscience and meet on Thursday.

The motion was agreed to.

The Senate adjourned until Tuesday, May 28, at 3 p.m.

THE SENATE

Tuesday, May 28, 1935.

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

Prayers and routine proceedings.

DIVORCE REPORTS

MOTION FOR CONSIDERATION

Hon. Mr. McMEANS presented the 28th to the 32nd reports of the Standing Committee on Divorce.

He said: I understand the House of Commons is not going to sit on Thursday, and as there is a possibility that the Senate will not meet on that day, I would move, if there is no objection, that these reports be placed on the Order Paper to be considered to-morrow.

Hon. Mr. DANDURAND: I suppose the cases are all unopposed?

Hon. Mr. McMEANS: All unopposed.

Hon. Mr. DANDURAND: That does not make them any the better, of course.

Right Hon. Mr. GRAHAM: It makes them worse.

The motion was agreed to.

REPORT ON MONTREAL HARBOUR

MOTION FOR RETURN

Hon. Mr. POPE moved for

A copy of the last report of the engineers of the Montreal Harbour Commission with respect to the conditions of the Harbour and the possibilities for its development.

Right Hon. Mr. MEIGHEN: This motion may be declared carried. The report is now brought down.

The motion was agreed to.

ADMIRALTY BILL

FIRST READING

Bill E2, an Act to amend the Admiralty Act, 1934.—Right Hon. Mr. Meighen.

PRIVATE BILLS

FIRST READING

Bill D2, an Act respecting the Portage la Prairie Mutual Insurance Company.—Hon. Mr. McMeans.

SECOND READING

Bill A2, an Act respecting the Sarnia-Port Huron Vehicular Tunnel Company.—Hon. Mr. Little.

SECOND READING

Hon. Mr. SMITH moved the second reading of Bill B2, an Act respecting a patent of Lillian Towy.

He said: Honourable senators, I am making this motion in the absence of the sponsor of the Bill, the honourable senator from Hamilton (Hon. Mr. Lynch-Staunton).

Right Hon. Mr. MEIGHEN: Honourable members, this Bill appears to be one for an extension of a patent, on the ground of oversight and so forth. The measure was introduced in this House. While I have no objection to the second reading, it must be understood that the merits, including the principle of the Bill, are to be considered by the proper committee, which is the Standing Committee on Banking and Commerce.

Hon. Mr. DANDURAND: No; such a Bill generally goes to the Standing Committee on Miscellaneous Private Bills.

Right Hon. Mr. MEIGHEN: Oh, yes, the Private Bills Committee.

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

SECOND READING

Bill C2, an Act respecting The Wapiti Insurance Company.—Hon. Mr. Horsey.

EMPLOYMENT AND SOCIAL INSURANCE BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 8, an Act to establish an Employment and Social Insurance Commission, to provide for a National Employment Service, for Insurance against Unemployment, for aid to Unemployed Persons, and for other forms of Social Insurance and Security, and for purposes related thereto.

Hon. RAOUL DANDURAND: Honourable members of the Senate, when the motion for second reading of this Bill was before us I stated that in Committee of the Whole I would suggest that the measure should go into force, not on the day of its sanction, but by proclamation, after a reference had been made to the Supreme Court and that body had ruled upon the constitutionality of this legislation. The measure was referred, not to the Committee of the Whole, but to the Standing Committee on Banking and Commerce. There I moved my amendment, but it was not entertained. I desire to renew it at this stage, and I therefore move, seconded by the right honourable senator from Eganville (Right Hon. Mr. Graham), that the Bill be further amended by striking out the words "when assented to" in section 48 and substituting therefor the words: "by proclamation of the Governor in Council after the Supreme Court of Canada has by a reference given a favourable opinion as to its constitutionality." This change would make section 48 read as follows:

> This Act shall come into force by proclamation of the Governor in Council after the Supreme Court of Canada has by a reference given a favourable opinion as to its constitutionality: provided that no contribution shall be payable or paid under the provisions of Part III of this Act until a date to to be set by the Commission of which due notice shall be published in the Canada Gazette and in such other manner as the Commission may deem necessary.

This is the amendment which I moved in committee.

Now, I desire in a few words to repeat my reasons for suggesting the amendment. My right honourable friend has admitted that this Bill was not based upon an international convention. It is based generally upon the fact that by the Treaty of Versailles we have declared that we would favour social legislation. According to my right honourable friend, this declaration creates an obligation towards other countries, but I draw the attention of the Senate to the fact that Great Britain herself has not yet legislated along these lines; neither have other countries, parties to the treaty. But, whatever may have been done by other countries, I say it is not clear that the courts of this country would hold that this measure is constitutional. However, I realize that it is a moot question. I have already given my views on this point.

We are about to adopt legislation which will create an organization all over the country of some 4,000 employees at a cost of some $7,000,000. We all recognize that the financial situation is critical and that the load the Dominion is carrying to-day is a very heavy one. It seems to me, therefore, that ordinary prudence should impel us to submit this Bill to the Supreme Court of Canada for a decision on its constitutionality.

There is plenty of time to do so, for part of this Bill as now drafted is only to come into force by proclamation. A considerable organization will have to be prepared on paper before we launch this new venture. I realize the importance of unemployment insurance, but I am not quite sure as to the real reason for the present Bill. The Right Hon. the Prime Minister, in his first statement last January, declared that he recognized such legislation would come before Parliament more appropriately in prosperous times. I think many persons in Canada believe that the prosperous times which he foresaw, but indicated in a somewhat diffident way, have not yet reached this country. The lapse of a year or so before the measure went into force would not prejudice anyone in the least, because those who would benefit under unemployment insurance are those who have retained their employment during the last four years, and they are not in very great danger in the years to come if, as we hope, we have reached the bottom of the crisis and are on the road to greater prosperity. In other words, we are legislating now for a contingency which I hope will be very distant. It may be ten years or more—I pray it may be longer—before we again have to face

such a depression as that from which we may now be emerging.

There is no urgency in the matter. I am quite sure that those who are privileged to come back to this Chamber next session will find that not much headway has been made in the application of this measure. In the meantime, I believe, we owe it to ourselves not to take this step without at least consulting the Supreme Court of Canada. We have done so more than once during the last three years with reference to legislation far less important than the present Bill. We should think twice before launching this matter when we see what has happened to important measures that have been in operation for two or three years in the United States: the Supreme Court of the United States has declared them to be unconstitutional. I repeat, we should think twice before launching a scheme that will cost millions of dollars and employ thousands of men. Naturally they would claim compensation if the legislation were upset by the Supreme Court. For these reasons I suggest that the amendment be adopted.

Hon. GEORGE LYNCH-STAUNTON: Honourable members, I quite agree with the expressions that have fallen from the honourable leader on the other side. I think no great loss can happen if this measure be not brought into force until proclaimed by the Governor General. Many persons have doubts about its constitutionality. If the measure did not involve an enormous expenditure before it could be put into force beneficially, I should think no harm would be done in letting it go into effect at once. But it seems to me that if such a fate befalls it as has befallen certain legislation in the neighbouring republic in the last two days, Parliament could be justly reproached for having taken a step in the dark at a time when, as we all know, we must economize.

Hon. JAMES J. DONNELLY: Honourable members, as I understand the procedure, we are at the present time considering amendments made to Bill 8 by the Committee on Banking and Commerce. It seems to me that the amendment moved by the honourable leader of the Opposition is an amendment, not to the committee amendments, but rather to a particular section of the Bill. This being so, I think the proper time to discuss it would be on the third reading.

Hon. Mr. DANDURAND: No; I simply move to add this amendment to those already proposed by the Committee on Banking and Commerce.

Hon. Mr. DANDURAND.

Right Hon. ARTHUR MEIGHEN: Honourable senators, the motion of the honourable member who leads the other side is to add an amendment, the effect of which is to defer the coming into force of this measure until a decision as to its constitutionality is reached by the Supreme Court of Canada. I believe that is the body.

Hon. Mr. DANDURAND: By reference.

Right Hon. Mr. GRAHAM: A favourable decision.

Right Hon. Mr. MEIGHEN: A favourable decision, that the measure is constitutional. This is not a usual motion. I am not aware of reasons which would make it specially applicable to the present measure and not applicable to almost every important measure coming before this House. I know that the constitutionality of the Bill has been challenged. I have not read, though, opinions going further than those of members of this House and the other House in attacking that feature of the measure. In saying this I do not deprecate at all the standing at the Bar of members of either House, but it is somewhat worth while to reflect that the opinions of men of legal standing and reputation have not been introduced into the discussion in either Chamber in support of those who attacked the Bill. On the other hand, the opinions of jurists of great capacity and of international standing have been introduced on the other side. So, having regard to the weight of opinion outside the walls of this House and of the other, and not to balance the two schools of thought in each Chamber, we find that the weight is entirely in favour of the Bill.

But we have a department whose function it is to guide Parliament in matters of the Constitution. If on such a question as this we were simply to wait and say, "Well, we will get the opinion of the Supreme Court," how turbid would be the stream of legislation! How could we adequately rise to the measure of our responsibilities in respect of all problems of this kind? We could not move at all. We should be blocked at every step, and the more important the measure the more effective and probably the more disastrous would be the impediment. Why should we in the ordinary run of legislation, important or unimportant, be guided by the Department of Justice, but in this case say, "No, we will wait until the courts have decided on the constitutionality of our Bill before we dare give it effect?"

The view of the Department of Justice on this measure is quite unequivocal and clear, and has been accepted by the other House.

Why should we not accept it? What will be the judgment of the people of Canada if the Senate at this stage seriously contemplates impeding the progress of the Bill, indeed wrecking its progress, by deferring it, not for days or weeks or months, but for years? It is true the honourable member's motion only says in effect, "We will wait until we get a favourable judgment of the Supreme Court"; but the Bill is very little more secure after that Court has given judgment than it was before. It is only the court of final resort that gives constitutional security. How long is it going to take to have this measure in all its turns and phases and sections argued before the Privy Council and final judgment given? One has to examine closely contrivances for delaying the coming into effect of a measure of this kind. They may look very innocent and come to us in a most attractive guise, but they are really negatives in the form of indefinite delay.

I would call a further consideration to the attention of the House. We are told, "We will wait until we get a favourable opinion of the Supreme Court on the constitutionality of this Bill." What does that mean? Does it not mean we dare not give this Bill effect until the Supreme Court of Canada declares every clause and every line are within the four corners of our Constitution? It does mean that.

Hon. Mr. LYNCH-STAUNTON: Why should it not?

Right Hon. Mr. MEIGHEN: Because the Bill might be declared invalid in respect of phases that have no significance at all and are not essential to it.

Hon. Mr. CASGRAIN: Why should they be in?

Right Hon. Mr. MEIGHEN: We do not know they are in, but such a condition is always possible. There may be phases of little significance, not fundamental in any respect, and without which the Bill would be virtually as effective as it is now. The Supreme Court may decide that that line, that sentence, that clause, is unconstitutional. In that event, if this amendment passed, the Governor in Council would be quite powerless to call the Bill into effect. Those who oppose the Bill by an amendment of this kind do not want the Bill to take effect. What may be their reason it is not for me to judge. They cannot want it to take effect, because if the amendment passes the legislation is indefinitely delayed. The responsibility this House must take is that of deciding whether or not it is going to delay and in effect defeat the passage of this measure.

Hon. Mr. LYNCH-STAUNTON: I must protest against the right honourable gentleman's saying that because I am in favour of the amendment I am opposed to the passage of the Bill. It is a matter of indifference to me whether it passes or not.

Hon. J. P. B. CASGRAIN: This, of course, is a question for legal gentlemen, but when I am told that you are going to hire 4,000 men it seems to me as a layman that it is a matter of considerable importance. There are people who think that this Bill is wrong and you have no right to hire 4,000 men. Every one of those engaged may have left a situation and sacrificed certain emolument. What will be the expense to this country of indemnifying those men, who perhaps have wives and children? Most of these measures brought in by municipal, provincial or federal governments do more harm than good. I am not talking about the merits of the proposal; I am asking if it is right for us to jump before looking to see where we are going to land? Our Confederation has continued since 1867 without any such measure as this, and in the old days we got along much better than we are doing to-day. Why can we not go on without it for a few months longer? The right honourable gentleman says the measure will be indefinitely delayed. Nobody knows better than he that we can call upon the Supreme Court to give a decision immediately. As to an appeal to the Privy Council, who is going to appeal, forsooth, unless it is the Government?

Right Hon. Mr. MEIGHEN: Those affected by the Bill.

Hon. Mr. CASGRAIN: It is not often that I agree with my leader, but this time I do.

It is said that the cost involved in this measure will be some $7,000,000. That also is worth considering. Not many of us have as much money as that in our pants pocket in these hard times.

Last session we devoted a great deal of time to the Shipping Act, which consisted of some eight hundred pages, and after going over it we thought, and the shipping people thought, it was a proper measure to pass. Where is that Act to-day? If the policy now advocated by the right honourable gentleman, that things must go on, is to be followed, why not proceed with the Shipping Act? What is the matter with that measure?

I do not want to delay the House, but it would seem to me prudent and wise to ascertain whether we have the right to pass legislation such as this. There is a man in the big country to the south of us who brought in a lot of legislation which the Supreme Court of that country now says was

all wrong. It will be impossible to undo all the harm caused by his action. We are supposed to revise legislation. We are the ones who are supposed to put on the brakes and prevent hasty legislation. If there ever was a piece of hasty legislation, this is it. Before employing 4,000 men, particularly in view of the fact that lawyers of repute have expressed some doubt about the matter, would it not be right for this House to exercise its powers? I know a general election is coming, but I may tell the Government that for every man they satisfy by giving him an appointment they will make ten men dissatisfied. A great Prime Minister of England once said that he would agree to remain in power for ever if the Opposition would only administer the patronage. I think the Government would do well to consider that remark, because there will be many applying for jobs. I think I am speaking in the interest of the Conservative party when I tell them they would be wise to hesitate.

The right honourable gentleman says this is an ordinary measure. It is no ordinary measure. I have been a member of this House for thirty-five years, and this is the first time I ever saw a Bill authorizing the Government to employ 4,000 men right off. What happened before I became a member of the Senate I do not know. I do not want to make this a political matter—

Hon. Mr. BALLANTYNE: Oh, go ahead.

Hon. Mr. CASGRAIN: —but I do not think the right honourable gentleman's heart is in the Bill. I have heard him make much stronger arguments than he has made to-day, and I do not think he will shed one tear if it is not passed.

Hon. Mr. DANDURAND: My right honourable friend has made a reference to the public that might stampede this Chamber. I think it is our duty, the very essence of our existence, to avoid being stampeded by people outside, more especially at a time when we are legislating for reasons which my right honourable friend knows very well, as does every other member of this Chamber.

The amendment of Hon. Mr. Dandurand was negatived on the following division:

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Hon. Mr. CASGRAIN.

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The Hon. the SPEAKER: The question is now on the main motion. Is it your pleasure, honourable members, to adopt the amendments?

Hon. Mr. MURDOCK: May I call the attention of the right honourable leader of the House (Right Hon. Mr. Meighen) and also of the Chairman of the Banking and Commerce Committee (Hon. Mr. Black) to what I think is a very unfortunate typographical error? The 28th amendment, as printed on page 195 of the Senate Minutes, contains the word "or" where it should be "are." I think it will be agreed that it is a very unfortunate mistake. The amendment is to insert an additional paragraph in section 25 of the Bill, as paragraph (e), and I think this paragraph should read:

> (e) persons who by custom of their occupation, trade or industry or pursuant to their agreement with an employer are paid, in whole or in part, by the piece or on a basis other than that of time.

As the paragraph appears in the Minutes the word "or" appears before the word "paid," and this does not make sense. I think it was "are" in the paragraph as agreed upon by the committee.

Right Hon. Mr. MEIGHEN: I think my honourable friend is right. I have traced the paragraph referred to and find it is a new clause added to section 25, subsection 1. There is a verb in the preceding paragraphs, and necessarily there must be one here.

The Hon. the SPEAKER: The Clerk of the House has just shown me the original, and it contains no mistake. The word "are" is used.

Right Hon. Mr. MEIGHEN: It is "are" in the original; so it is all right. I am grateful to the honourable member for pointing out the error in the Minutes, though.

Hon. W. E. FOSTER: Honourable members, even at the risk of being criticized as one of those who do not wish this Bill to

pass, I desire, before the main motion is put to the House, to make a few observations in connection with what I consider was a very important amendment made by the Banking and Commerce Committee. I should like to make some representations on behalf of a great many people who under the amendment will have to pay a large sum, which I look upon as a tax, to support what I think should be an insurance scheme and not a taxation scheme. In view of the fact that there are numerous applicants waiting to be heard before the Banking and Commerce Committee on another measure, I suggest to the right honourable leader of the House that we adjourn the debate on the present motion until to-morrow.

This Bill 8, honourable members, is a very important piece of legislation, which will involve an expenditure of some $50,000,000 a year. I think it is one of the most important measures that have come before the Senate since I have been a member of this body. It will affect a great number of people from the Atlantic to the Pacific. The fact that there are before us 51 amendments demonstrates at all events that the Banking and Commerce Committee did its work thoroughly. At the same time, the very fact that so many amendments were required leads one to feel that before the Bill was introduced sufficient consideration may not have been given to the experiences of various countries which have had unemployment insurance in effect, and that a little further investigation might have been made.

Right Hon. Mr. MEIGHEN: If I have not misunderstood my honourable friend, he wishes an adjournment until to-morrow merely so that he may be in a better position to present his argument.

Hon. Mr. FOSTER: Yes.

Right Hon. Mr. MEIGHEN: I think there is not such a hurry with this Bill that I should refuse the honourable gentleman's request. The feature which I fancy he purposes to debate is the amendment made by the Senate committee striking out the clause which excepted banks, insurance companies and financial institutions from the scope of the Bill. That perhaps was the most important step taken by the committee, and it is well worthy of debate. Because the honourable member wishes to discuss that very important feature I do not for one moment criticize him as opposed to the measure. In fact he is not opposed to it, if I correctly understood his attitude in the committee. What I say is that those who would defer the application of the measure merely for the purpose of having a reference to the courts, which necessarily would have to be final and would involve a delay destroying the usefulness of the Bill for its immediate object, which is so important, are in effect opposing the measure, though doing so under the guise of an attractive amendment. But the desire to debate an amendment is a legitimate one, and I readily agree that the motion stand over until to-morrow. I should like it understood, though, that we are to be allowed to dispose of the third reading to-morrow, particularly as it seems probable, from information just received, that the other House is adjourning over Thursday and it may be necessary, or at all events proper, for us to do likewise.

Hon. Mr. FOSTER: The right honourable leader of the House is quite correct in his assumption as to the amendment which I desire to discuss. And my reason for wishing to discuss it is that I may show the grounds upon which I hold that the banks and other financial institutions should not be included within the provisions of this Bill.

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

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I desire to remind honourable members that the Standing Committee on Banking and Commerce meets immediately to continue with the eight-hour-day Bill.

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

THE SENATE

Wednesday, May 29, 1935.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following Bills, which were severally read the first time:

Bill F2, an Act for the relief of Muriel Mabel Muttart.

Bill G2, an Act for the relief of Emile Fossion.

Bill H2, an Act for the relief of Eva Bennett.

Bill I2, an Act for the relief of Helen Gertrude Bryant Wilson.

Bill J2, an Act for the relief of Gladys Sarah Jenkinson Weeks.

Bill K2, an Act for the relief of Mary Elizabeth Taylor Nicholson.

PRIVATE BILL

SECOND READING

Bill D2, an Act respecting the Portage la Prairie Mutual Insurance Company.—Hon. Mr. McMeans.

EMPLOYMENT AND SOCIAL INSURANCE BILL

REPORT OF COMMITTEE

The Senate resumed from yesterday consideration of the motion for concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 8, an Act to establish an Employment and Social Insurance Commission, to provide for a National Employment Service, for Insurance against Unemployment, for aid to Unemployed Persons, and for other forms of Social Insurance and Security, and for purposes related thereto.

Hon. W. E. FOSTER: Honourable members, although the Committee on Banking and Commerce had made fifty-one amendments to the Employment and Social Insurance Bill, the right honourable leader of the House (Right Hon. Mr. Meighen) during the course of his remarks yesterday stated that in his opinion only one of those amendments would affect the Bill to any considerable extent. It is to that amendment I desire to address myself.

The amendment to which I refer is No. 47, which refers to page 31 of the Bill and deletes paragraph (f) from Part II of the First Schedule, with respect to excepted employments. If concurred in by this House, it would have the effect of placing banks and other financial institutions under the provisions of the Bill.

My reason for opposing adoption of the amendment is that I cannot see why at this time we should make such an important change, a change which would affect some twenty thousand young men and women bank employees receiving less than $2,000 a year, and probably some five thousand others engaged in mortgage, loan, trust, insurance or other financial institutions. They would have to contribute to the insurance fund upwards of $250,000 per annum, and there would be a like contribution from the banks and other financial institutions, making a total annual contribution exceeding $500,000.

The financial structure of this Bill, as all honourable members are aware, has been worked out by an actuary. I hold in my hand his report. It is not necessary for me to read the report in full, for the title tells the story about as well as I could tell it. On the first page I find this heading:

> Actuarial report on the contributions required to provide the unemployment insurance benefits within the scheme of Bill No. 8, being the draft of an Act entitled "The Employment and Social Insurance Act."

This report is addressed to the Right Hon. the Prime Minister, presumably because of the fact that the Bill appears in his name and in order that he may be satisfied as to its actuarial basis. The report starts in this way:

> In compliance with instructions in that behalf, I have the honour to report on the rates of contribution for the unemployment insurance benefits within the scheme of the draft of an Act entitled "The Employment and Social Insurance Act."

And on page 7 there is this statement:

> For the present, however, it is essential that the rates of contribution should, in the first instance, be determined with all possible care and consideration; and the core of this problem is the actuarial computation of rates of contribution based on the best statistical data available and an actuarial appraisal of all the facts and circumstances pertinent thereto with a view to making allowance therefor in the contributions.

And a little further on:

> In determining the rates given below the objective kept in view was to make them sufficient to provide unemployment benefits over a period such as the eleven years ended June 1, 1931.

Honourable senators will observe that the actuary apparently has made a calculation of the amounts that will be required from certain industries and certain classes of people in order to provide sufficient money at a fixed rate to pay the benefits enumerated. The enumeration of benefits will be found on page 35 of the Bill.

Rates of Unemployment Benefit

Class of insured person:	Daily rate	Weekly rate
Aged 21 years and upwards:		
Men	$1.00	$6.00
Women	.85	5.10
Aged 18 years and under 21 years:		
Young men	.70	4.20
Young women	.60	3.60

Aged 17 years and under 18 years:		
Boys	.45	2.70
Girls	.35	2.10
Aged 16 years and under 17 years:		
Boys	.30	1.80
Girls	.25	1.50
Dependents' benefit:		
Adult dependent	.45	2.70
Dependent child	.15	.90

In another part of the Bill will be found the weekly rates of contribution to be paid by the employers and the employed persons who come under the Bill.

Weekly Rates of Contribution

Class of employed person:	By the employer	By the employed person
Aged 21 years and upwards:		
Men	$0.25	$0.25
Women	.21	.21
Aged 18 years and under 21 years:		
Young men	.18	.18
Young women	.15	.15
Aged 17 years and under 18 years:		
Boys	.11	.11
Girls	.09	.09
Aged 16 years and under 17 years:		
Boys	.07	.07
Girls	.06	.06

It is my contention, honourable members, that although, under the amendment made by the committee, the large sum that I have mentioned, some $500,000 per annum, would necessarily have to be paid in by these classes of people, the unemployment benefits would remain as fixed by the schedule of the Bill; therefore, if we brought in the banks and other financial institutions and forced them to contribute, no greater benefits would accrue than the amounts fixed in the Bill now before us, unless the Act were changed at a later date. I take my present position not simply because the banks and financial institutions are involved, but because I can see no reason for their inclusion at this time, particularly in view of the fact that it changes the whole basis upon which the rates of benefit are founded by the actuaries.

The honourable member for Westmorland (Hon. Mr. Black), the Chairman of the Committee on Banking and Commerce, in presenting these amendments to the House a few days ago, made this statement:

> Very strong arguments were presented to show that certain industries and parts of others should be exempted, and I think the majority of the committee were convinced that if we did recommend the exemption of banks, insurance companies, brokerage houses and financial institutions generally, there were other institutions which had almost equally good claims to similar treatment. Perhaps not all those other institutions could show such a high percentage of steady employment as the banks and financial concerns in general, yet in many cases the difference was so slight that if exemptions were granted at all it would be difficult to draw a line, and the whole structure of the measure would be ruined, because there would not be enough contributors to keep the insurance fund on a basis sufficiently strong to enable it to benefit those who in future would need to depend upon it.

That statement of the Chairman of the Banking and Commerce Committee strengthens my case, I think, because it is admitted that the ratio of unemployment amongst the banks, insurance companies and other financial institutions is very much lower than in the case of other institutions which applied for exemption.

In making this appeal for the exemption of the banks and financial institutions from this measure I want to say, honourable senators, that I hold no brief for those institutions. They are pretty well able to look after themselves. I do, however, wish to speak on behalf of the twenty or twenty-five thousand employees, men and women, mostly of the younger generation, who work in those institutions and who, because they receive less than $2,000 per annum, would come under the provisions of this Bill. As I said before, this class of employees would be called upon to pay a sum in excess of $250,000 a year. We should bear in mind that it is not the high-salaried officials who would pay this assessment, but some twenty thousand of the lower paid employees of the banks and perhaps five thousand of the lower paid employees of the other financial institutions involved. My sympathies are with those low-salaried people, who would be called upon to meet, in addition to present salary deductions for pension funds, group insurance, and the like, a deduction of some $13 per year each, or, in the aggregate, $250,000 or more per annum. I regard this contribution as a very considerable tax, and I cannot see that any benefit whatsoever would be derived from it.

The heads of these banking institutions appeared before our committee and presented their case. As I said before, they are quite able to look after themselves, but there is no one in particular to speak on behalf of the twenty-five thousand employees. Having had the experience of working in a financial institution on a small salary, I know that these people have to keep up appearances and that

by the time these proposed deductions were made they would not have very much left to live on. Therefore I say that these low-salaried people who would be asked to pay this assessment are as much entitled to consideration as are those so often referred to by my honourable friend here (Hon. Mr. Murdock) when he appeals on behalf of the under dog. I do not think honourable members of this House should pass this recommendation of the Banking and Commerce Committee without giving very careful thought to the effect that it would have upon these employees.

The fact that there is a very low percentage of unemployment in financial institutions is, I think, a strong argument in favour of their remaining in the exempted classes. I should like to point out that the banks, in their presentation, said that for the year 1934 the number of employees of all banks who were receiving not more than $2,000 was 19,436, of which number the total unemployed during that year was 407, or but two per cent. I think honourable senators will see the point I am trying to make. When only two per cent of these low-salaried employees would receive benefits from this unemployment insurance fund, it is most unfair to ask them to pay some $250,000 per annum.

Right Hon. Mr. MEIGHEN: That was for 1934. Could the honourable member give us the number let out from the banks in 1930, 1931 and 1932?

Hon. Mr. FOSTER: The right honourable leader of the Government cannot deny the statement which I am making, that the risk involved in that class of employment is far below the risk in many of the other classes included in the Bill. I have no reason, honourable senators, to doubt the statement of the bankers who came before us. In my opinion they would not be any more likely to make a false statement to us than to expect us to make a false statement to them. They say:

> About one-quarter of the total number of these employees consisted of women, and on the basis of the contributions required under the Act, the banks would have been required to pay $242,108, and the employees an equivalent amount, making a total payment from these sources of $484,216. The total benefits which these 407 employees would have received under the Act on the assumption that their contributions had been paid for a period of one year would have been $29,886, or 6·1 per cent of the contribution.

So, although there would be a tax of about $250,000 on these low-salaried people, according to the statement of the bankers only six per cent would be returned in the way of benefits. I contend, therefore, honourable members, that this assessment, as it is called, is nothing more than a tax, and I do not believe it is a good thing that there should be an unfair system of contribution under an Act of this kind. If we are going to adopt the principle of taxation, we should adopt the good old system of taxing those who are best able to pay.

The contribution of some $250,000 per annum which the banks are asked to pay is no small amount in these days of financial strain. All honourable members of this House know as well as I do that we are passing through quite strenuous times, and I think no one can predict what is ahead of the financial institutions of this country. Because of the need of money to pay for unemployment relief and similar things, the municipalities and provincial governments have been increasing the taxes on banks, insurance companies and financial concerns to a very considerable extent during the last four years. And we must not forget that we have established in Canada a Central Bank. Who knows what effect this Central Bank will have upon the profits of the other banks? In my opinion, the position of the banks as to the earning of profits is rather precarious. As every member of the Senate knows, commercial loans are not in demand to-day and the securities which the banks have to purchase in order to employ their money yield but a small return. Therefore I think we should consider carefully this amendment, which would impose an additional taxation on the banks as well as on their employees.

I submit to honourable senators that there is all the more reason why we should be careful about this when the actuary does not say that it is necessary to include the banks. The actuary says that the Bill should apply to certain classes of people and industries in order to produce an estimated sum of money. We see the picture presented by him of the estimated income from assessments on one side of the ledger, and on turning over to the other side we see the amount which the actuary fixes as probable payments to the beneficiaries. And the Bill is founded upon the actuary's report. So I submit it is not necessary at this time to adopt this amendment made by the committee and bring under the Act the banks and financial institutions, when the actuary had calculated on the financial operation of the scheme without contributions from these classes.

The effect of this measure will not be felt for some little time. No doubt the Act will

be put into force promptly, the Commission will be set up and assessments made, but no benefits will be paid out of the fund for some two years at all events. It will probably be three or four years before we are able to find out whether the actuary's calculations were right—whether there is sufficient income from the classes which he said it was necessary to include under the Bill in order to meet the payment of benefits. So I think it will be time enough two or three years hence to consider whether or not the banks and financial institutions should be brought within the scope of the Act. If for two or three years, while we are waiting to see the results of the practical application of the law, we can postpone the imposition of this tax on twenty or twenty-five thousand people who are in receipt of small salaries, and upon their employers as well, we shall be doing something. As time goes on and payments come in, the Commissioners, with actual experience behind them, will be in a position to consider whether or not it is necessary to bring these financial concerns into the scheme in order to make the fund strong enough to withstand payment of the benefits provided for. Section 7 of the Bill provides:

7. (1) In addition to the powers and duties of the Commission as otherwise provided by this Act, the Commission shall, as soon as practicable after appointment, undertake investigations for the purpose of making proposals to the Governor in Council for—

(a) providing unemployment insurance for the employments excepted from the operation of Part III of this Act, or for any of them, either by extending thereto the provisions of that Part, with such modifications, if any, as may be found necessary, or by special or supplementary schemes.

So this Commission will have all the powers necessary to bring under the provisions of the Act any classes of individuals or corporations which they deem necessary in order that sufficient money may be provided for the payment of benefits. I repeat, honourable members, that if for at least two or three years it is possible to save from this additional taxation the banks and other financial institutions, as well as twenty or twenty-five thousand employees who receive small salaries, the Senate should not approve of this amendment made by the Banking and Commerce Committee. I for one am in favour of anything that we can do to avoid any further taxation, whether of banks or other concerns or of individuals.

I am in favour of the principle of an unemployment insurance bill, but I believe that in order to make a scheme of this kind effective in this country an intensive study should be made of any suggestions or plan for improving the scheme or extending its scope. I urge honourable members to give careful thought to this recommendation of the committee before we make up our minds whether we want to include within the provisions of the Bill this army of twenty-five thousand low-salaried employees and ask them to make a contribution. As I have already said, I am in favour of an unemployment insurance scheme. But this Bill does not provide for what I call an unemployment insurance scheme; rather it provides for something which is more or less a taxation scheme. As we all know, it is a principle of insurance that the premium paid or the contribution made should be on the basis of the risk involved. That principle, I think, should obtain in this Bill, but such is not the case. I am in favour not only of the principle of unemployment insurance, but of the extension of that principle. But I want a bill which would put into effect a scheme more equitable than this one would be, particularly at the present time. And the point I am endeavouring to make is that in the future we could make any changes that experience might show to be necessary.

I therefore move that the committee's amendment number 47, which is to leave out paragraph (f) in the First Schedule, Part II of the Bill, page 31, be not now concurred in.

Hon. W. A. GRIESBACH: Honourable senators, since it was I who in the Committee on Banking and Commerce moved to strike out paragraph (f) on page 31 of the Bill, which exempted banks and other financial institutions, I feel called upon now to offer a few observations as to why I think the committee's report as submitted should be adopted.

In approaching the question of unemployment insurance we have to bear in mind that we in Canada have had no experience whatever in this field. In England, on the other hand, they have an unemployment insurance scheme in operation and have been struggling with the matter for nearly a quarter of a century. The last bill on the subject passed the English Parliament in 1920. Therefore it was only fitting that those who were proceeding to draft an unemployment insurance bill for Canada should avail themselves of the results obtained from the experience in England.

Since 1920 the operation of unemployment insurance in that country has been investigated by at least three royal commissions. By the terms of the Act of 1920 certain institutions were permitted to contract them-

selves out from the operation of the general unemployment insurance scheme. That is to say, under the direction of the Commission, they could carry on a plan of insurance for their own employees, with, it may be assumed, a preferential rate based upon the relatively smaller incidence of unemployment. Since that law was passed the royal commissions to which I have referred have all agreed that the law of England should never have permitted any particular corporations or individuals to contract themselves out, and that unemployment insurance should be conducted upon a flat-rate basis and should include all the industries to which it was intended to apply. The royal commissions have gone on to say that now it is too late to make a change, and they assume that the scheme will be continued along the same lines as in the past. I draw the attention of honourable members to the regret which the royal commissions expressed that those interested were ever permitted to contract out, and that nothing could be done about it now. This is very important to remember, because we are to-day about to launch our unemployment insurance law, and if we make the mistake which was made in England, we shall probably find that we have committed ourselves to a policy which ultimately will be disastrous to the whole scheme.

The present Bill is based upon the English experience and upon actuarial calculations based in turn upon that experience, with respect to the classes of persons to come within its scope. Therefore when we came to consider the Bill in the Committee on Banking and Commerce we felt at the outset that we dare not except any classes which had been included. Had we done so we should have seriously impaired its financial structure.

On the other hand, we found among the excepted employment that covered by paragraph (f) in Part II of the First Schedule—employment in banking, mortgage, loan, trust, insurance or other financial business. I draw the attention of the House to the fact that my honourable friend from Saint John is merely discussing banking business, but within the exception there are also these other financial businesses. They are excluded from the operation of the Bill; but included within its operation are clerical employees of the railways, the Bell Telephone Company, the Imperial Oil Company, and other large concerns, whose incidence of unemployment is no higher than that of the institutions covered by paragraph (f). If those exempted classes were properly exempt, then common sense and justice would demand that the clerical staffs of the railways and the other great institutions should be excluded as well. As I have said, we dare not exclude from the Bill any of the classes that were included. Had we attempted to do so the rates chargeable against those remaining within its operation would be so prohibitive as to destroy the scheme entirely.

I draw the attention of honourable members to the incidence of unemployment in banks. As I have already pointed out, the exceptions covered by paragraph (f) include also mortgage, loan, trust, insurance or other financial business. Surely there is no honourable member who is not aware that in consequence of the financial crash in 1929 there are to-day large numbers of unemployed persons from many of our financial institutions.

When the Bank of Canada Bill was before the Banking Committee in another place one of the arguments put forward against the measure was that owing to the taking away of their privilege of issuing notes, the banks would be struck such a hard blow as would to some extent compel them to reduce their operations and close their branches in many of the smaller towns and outlying settlements. That withdrawal has actually been going on, and to-day there are in every community unemployed young bank clerks. I venture to say that the incidence of unemployment in banks is as high as, if not higher than, in the institutions which are included within the scope of the Bill.

My honourable friend from Saint John is exercised over the fact that the unemployment insurance levies fall upon young men in our chartered banks in receipt of low salaries. I am going to read from the submission made by Mr. Jackson Dodds, President of the Canadian Bankers' Association, when he appeared before our committee. This is what he said about the class of people who are being let out by the banks:

> It is most unlikely that any person who has been employed by one bank and found to be unsatisfactory would ever be employed by another bank. There is therefore no pool of temporarily unemployed bank clerks who may hope eventually to be re-employed by the bank with which they had served or by some other bank. The employees whose services are terminated are usually young men or women who have been taken on in the hope that they could qualify as useful members of the staff. When it appears that this hope is not well founded they are told to find employment elsewhere and are given generous allowances to enable them to support themselves until they find other work.

Speaking of those who are discharged, he said:

> They are usually young men who can normally find clerical or other employment in other industries.

It will be seen that Mr. Jackson Dodds specifies the classes of persons in the employ of banks who are most likely to be discharged. I venture to submit that if it were possible to-day to take a poll of young bank clerks they would be found to be entirely favourable to the scheme of unemployment insurance and would welcome the security which it would give them.

There is another point the House must seriously consider. The banks have put forward a proposed amendment to the effect that they should be allowed to contract out. I have already drawn attention to the fact that there are included in the Bill, and not in any sense removable from its terms, the clerical staffs of other great institutions. If we pass the amendment proposed by the honourable gentleman from Saint John and permit banks to be exempted from the operation of the Bill—and, I take it, the other financial institutions referred to in paragraph (f), although the honourable member did not mention them—then from time to time we shall have applications from institutions now included for the right to contract out; and they will have just as sound arguments to advance in support of their stand as have the banks.

So I say that, in view of the strong reports by royal commissions in England against the propriety of allowing banks and similar institutions to contract out, and the regret expressed, that, the principle having been allowed, it is now practically impossible to bring those institutions within the scope of unemployment insurance, the proposal now made by the honourable gentleman from Saint John is full of danger. This is a serious moment for the Bill and for the whole principle of unemployment insurance. If we stand fast on this report we shall launch the Bill with everybody in it who ought to be in it, and with a provision for the Advisory Board to investigate the terms and conditions upon which classes of industry now left out may be brought in. But if to-day we adopt the proposal of the honourable gentleman from Saint John we shall establish a precedent which will be of the utmost value to others who may seek to contract themselves out from the operation of the Bill. Indeed we may be laying the foundation for an attack upon it which will ultimately destroy the whole scheme of unemployment insurance in Canada.

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Hon. JAMES MURDOCK: Honourable senators, we are, I think, under obligation to my honourable friend from Saint John (Hon. Mr. Foster) for bringing this matter to our attention to-day. He is a member of the Committee on Banking and Commerce. I am not, but I have tried to attend on every occasion when the Bill was being discussed. While listening to my honourable friend I could not but regret that he had not been present to bring before the committee the eloquent representations which he has made this afternoon on behalf of the banks and other financial institutions.

I doubt whether my honourable friend knows that this particular question came to a vote—I think, twice—in the committee. On the latter occasion a motion was made to reinstate paragraph (f). Mr. Jackson Dodds, President of the Canadian Bankers' Association, was present and told the committee just what it should do and what it should not do. In fact he argued almost identically as has my honourable friend this afternoon. The honourable gentleman who then made the motion was the only one who voted for it. So, virtually, the committee was unanimously opposed to it.

But let us go a little further with the argument of the honourable senator from Saint John. He says in effect, "I am in favour of an unemployment insurance scheme; but do not include the banks and other financial institutions." Why not include the banks?

Hon. Mr. FOSTER: Do not include the banks now.

Hon. Mr. MURDOCK: Do not include the banks now—why? Because, according to the statement of Mr. Jackson Dodds, there are 19,436 bank employees who are working practically the year round and are drawing the salaries incident to their work. The banking institutions say: "They do not need unemployment insurance. We will take care of them." Would my honourable friend from Saint John be prepared to carry that principle further: would he exclude the Eaton Company and its 23,000 employees? The company has said that it needed no assistance from an unemployment insurance scheme; that it could take care of those employees. And we had similar representations from various other organizations: for instance, the Lumbermen's Association, the life insurance companies, the Retail Merchants' Associa-

tion. They all argued that they should not be within the scope of the Bill. So I ask my honourable friend, where should we get the wherewithal to take care of those who surely need insurance against unemployment? Who would pay if those who have will not give for those who have not?

Hon. Mr. FOSTER: The actuary has told us who would pay.

Hon. Mr. MURDOCK: Oh, yes, the actuary prepared the scheme that was originally intended to exclude the banks, insurance companies and other financial institutions. But the Committee on Banking and Commerce found a golden egg in paragraph (f). The committee decided to expunge the paragraph and so bring within the operation of the Bill a considerable number of citizens of Canada who should be interested in the welfare of their less fortunate fellow men and women who do not hold jobs the year round and are not drawing heavy salaries. The 19,436 bank employees enjoying continuous salaries will contribute to the unemployment insurance fund $13 a month for each man and less than that for each woman.

Hon. Mr. BLACK: Thirteeen dollars a year.

Hon. Mr. MURDOCK: I beg your pardon; $13 a year, to go into the pot for the less fortunate citizens of Canada. Of course it is a tax. Of course it requires that those who have shall give to those who have not. Where in the name of good, kind Heaven would you get any of the wherewithal to carry on an unemployment insurance scheme if you did not get it from those more favoured persons? Carried to its logical conclusion, my honourable friend's argument simply means that the banks, the insurance companies and other financial institutions, Eaton's, Simpson's, the retail merchants and the lumbermen would take care of their employees, but the poor sucker with nothing in sight would have to lift himself by his boot-straps.

A few months ago, sitting in the quiet of our homes, we heard some very eloquent representations about the failure of the capitalist system. If ever I saw a demonstration of the selfish greediness of the capitalist system, I saw it in the Banking and Commerce Committee the other day when Mr. Jackson Dodds acted as though he were the last word on everything and the members of the committee were ignorant, and I distinctly heard him say—I took it he meant if the commitee did not accept his view—that it was the first time he had ever been turned down. Well, thank Heaven if he was turned down on a question that means sustenance to the unfortunate in this Canada of ours.

Right Hon. Mr. MEIGHEN: I think my honourable friend is doing Mr. Jackson Dodds an unintended injustice. He did not say he had never been turned down before. He said he never stopped because he had been turned down once.

Hon. Mr. MURDOCK: My distinct recollection—and my hearing is very good—

Right Hon. Mr. MEIGHEN: It will be on the record.

Hon. Mr. MURDOCK: My distinct recollection is that he said, "This is the first time I have been turned down." To me it sounded ridiculous coming from a gentleman representing the capitalist system of Canada, the system that now tells us: "We have 19,436 employees that we ourselves will take care of. You go sweat for the rest of the citizens of Canada." That is what the capitalist system —as represented by Mr. Jackson Dodds—is prepared to contribute to the health and happiness of the unemployed workers of this country. The citizens of Canada are entitled to something better than that by way of contribution from the capitalist system. My honourable friend said a little while ago that the rest could take care of themselves. Of course they can. Then let the other citizens take care of our unemployed. That, in substance, is what it means. That is the logical conclusion.

So I think the action of my honourable friend from Saint John (Hon. Mr. Foster) in bringing up this matter is of some value. The matter was threshed out in the Banking and Commerce Committee, and I was highly gratified to find that the great majority of the members of that committee were heartily in favour of taking from those who have, in order to help those who have not; and I did not hear any such argument as I have listened to from my honourable friend to-day.

Hon. Mr. GORDON: Why stop at the small-salaried man who is receiving up to $2,000?

Hon. Mr. MURDOCK: That is another question that came up in the Banking and Commerce Committee. I am ready to agree with my honourable friend on that, and to second a motion to take from the high-salaried man—yes, from the senator who draws $4,000 a year; but for shame's sake let us not go so far as to say that 19,436 reputable citizens of Canada who are drawing salaries that are

regarded by the capitalist system as sufficient should not pay one cent towards helping their less favoured fellow citizens.

I do not think there is the slightest danger of the motion before us passing, but I think it is a pity that the question brought up in the Senate to-day shows the inherent selfishness of human nature, and the disregard by the capitalist system of the rights of the rest of the public in Canada. It shows nothing more and nothing less, and I am quite sure the motion will be turned down, as it deserves to be.

Hon. W. A. BUCHANAN: Honourable senators, I should like to advance a few points in connection with the amendment proposed that I do not think have been considered up to the present time. The banks, as I understand it, are claiming exemption because of the very small amount of unemployment in the banking institutions of the country. That unemployment relates largely to clerical staffs—accountants, cashiers, bookkeepers and employees of that character. Now, if that class of employee is to be exempt from this legislation, I think it is fair to argue that an industrial institution that has one or two hundred employees of the same character in its branches throughout the country, and that may be in exactly the same position as the banks in relation to unemployment, could justify an application for exemption. I happen to be associated with an institution that has probably three hundred or four hundred employees spread throughout the country, and I may say that during the entire time of the depression there was not one single case of unemployment in that institution. Now, if the argument of the banks is sound, that they should be free from this legislation, I think these other institutions are justified in asking to be exempted.

My own view is that if the fund established to provide for unemployment insurance is to be substantial there should be as few exemptions as possible, and I am not in sympathy with the proposal that these financial institutions should be exempt. I may go further and say that by this time next year there may be in this Dominion a province that has brought into existence a Government which assures the people of that province that there shall be no unemployment at all, and then you would have all the industries of that province sending representatives down here to ask for exemption. I am afraid that if we listen to these claims for exemption we may damage the legislation. I am in favour of accepting it as it comes from the Banking and Commerce Committee.

Right Hon. ARTHUR MEIGHEN: Honourable members, before the question is put I would ask the House to bear with me while I place on record the view that I, as a member of the Government, take with respect to this measure, which is one of considerable importance.

I do not quite agree with the honourable senator from Saint John (Hon. Mr. Foster) that the amendment referred to is the only important amendment made by the committee. Doubtless it is of far-reaching consequence, but there are other amendments of front-rank importance among the fifty-one inserted by the committee and now before us. For example, the committee abolished the provision that anyone who had an income of a certain fixed amount outside of his earnings should not be included within the terms of the Bill. In doing this the committee recognized the taxation feature of the measure. The omission was a most important one, and I think that amendment is valuable and sound. The committee also made the Bill adaptable to that great area of employment which works on a mileage basis rather than on an hourly basis—an amendment not only necessary but of consequence. In other respects the measure now differs substantially from that first submitted to this House. In clause 25 there is a very important addition to the exceptions. It is not for the purpose of lightening any of the obligations under the Bill, but rather for the purpose of making the Bill workable. In fact—and this would be of importance to the honourable senator from Lethbridge (Hon. Mr. Buchanan)—the only exceptions which the committee recognized at all were those which appeared to the committee to be valuable because they made the Bill a practical working measure. In determining the exceptions the matter of administration was in the minds of the committee.

One, of course, could go much further and point to other changes, but possibly that is not necessary at this time. Where payment by stamps would not be convenient other methods were provided; the Commission's powers were extended; control was retained over the purchase of real estate by the Commission, and so forth.

But what is immediately before the House is the question whether or not the exception of banks, insurance companies, trust companies, loan companies, mortgage companies and other financial institutions—an exception which had been recognized in the English Act—should be adopted in Canada from the commencement of operation. That

problem occupied many a day of the long weeks during which the committee sat.

I approached the discussion of this subject strongly inclined to the view that insurance should be on a merit rating basis; that a flat rate was inherently unjust. I was in hopes that we might be able to improve the measure in committee by inserting the merit rating principle, which has worked so successfully in workmen's compensation laws of our provinces. Representations made to the committee, however, soon changed me from that view, and I became convinced that no system of merit rating could possibly work in unemployment insurance, but that there must be a flat rate.

As time went on, the underlying idea, the basic rock beneath the measure, appeared in relief. This is a taxation bill for insurance purposes. The honourable senator from Saint John (Hon. Mr. Foster) likes the insurance feature of the Bill, but does not like the tax. We are all the same as far as that is concerned. But we cannot have insurance without the taxation feature. The only question is as to the circumference of the taxation—what territory should be taxed. Some say the tax ought to be based on ability to pay. That would mean, of course, that the Government would pay everything, including the insurance necessities, from general revenue. It would mean an increase of taxation in various spheres. The Bill was founded on another principle—just as were the English Act and German Act—the principle of taxing the area to be benefited for the purposes of those benefited. What is that area? It is the area of the employed who are not receiving enough money to be reasonably expected to look after themselves if misfortune should overtake them and they should find themselves out of work. We are not concerned at the present time with the area of those who can reasonably be expected to look after themselves. We deal with that in general taxation. But if by reason of the smallness of his salary a man cannot look after himself, the State undertakes to help him over his troubles; and it taxes all who are in that class, and their employers, and makes a contribution of its own to meet the situation.

The committee felt that the upper limit of $2,000 was probably about right; that men receiving more than that amount could be expected to take care of themselves, but those receiving less could not. So the general view of the committee was that we should tax all who have a right to expect benefit, that their employers should share equally with them in that taxation, and that the State should contribute one-fifth of the amount furnished by the other two, and should pay administration costs. That is the entire Bill.

There were certain exceptions based upon administrative necessity—temporary employment of a seasonal character, employment on piece work, employment on farms, and in places far distant in the country, where administrative costs would be out of all proportion to benefits that would be obtained. These exceptions were recognized as sound and just, and in certain cases were amplified. But there was one exception which had no such basis. It was recited in clause (f) on page 31:

> Employment in banking, mortgage, loan trust, insurance or other financial business.

The reason presented for excluding these institutions from the Bill was that they had not been included originally in the English Act; that from the commencement, indeed before the operation of that Act, they had made an arrangement whereby they insured their own employees. They presented that arrangement to the committee, or to the minister in charge, and it was agreed that they should be exempt because they were ready to look after their own unemployed. But, as the honourable senator behind me (Hon. Mr. Griesbach) has said, and as must be quite plain to the House, that exemption did not prove satisfactory. It was not that it did not prove satisfactory to employers who were excepted and to their employees, but it was out of harmony with the general scheme of the law and added to the difficulty of administering it in relation to other persons who claimed the right to contract out. The commissions who reported on the working of the English law, one and all, deplored exceptions. While they said it would not be wise to cancel exceptions already in existence, they were strongly opposed to any more being allowed.

The English example doubtless had for its base much of the philosophy presented to the House to-day by the honourable senator from Saint John. In England, no doubt, as here, banks and financial companies came and said: "Our ratio of unemployment is very small. We have been able to take care of it generously. We have no ill or disease to cure. We are all right ourselves, so why tax us four or five times the amount of any benefit we can obtain?" On that plea they were excepted, and on that plea it was sought to continue the exception here.

But our committee was immediately faced with other companies who were in just the same position. It was faced first with the big department stores, whose clerical staffs number thousands, and who said: "We now have a plan whereby we look after our unemployed. We do not want to pay to this fund five times the amount"—I think that was the figure they gave—"that it now takes to look after our men, or five times what they would obtain if they came in under this law." Next we had before us the Bell Telephone Company, whose clerical staff also runs into thousands. Their scheme seemed to be just as generous as that of any of the banks, and their unemployment ratio just as low, and they protested against certain other classes being excepted when they were included and as a matter of fact all the reasons behind the exception applied with equal force in their case. Next came the Railway Association, representing both railroads. They protested against inclusion of the clerical staff in the Windsor Station in Montreal, whose positions were just as secured and permanent as those of the staff of any bank, trust company or financial institution.

Hon. Mr. FOSTER: Except that they were part of the whole.

Right Hon. Mr. MEIGHEN: I shall come to that. That distinction, which seemed to me a very arbitrary one, was advanced later. They said: "We are charged four, five, six or seven times all that we can receive on our ratio of unemployment, while across the Square is the Sun Life Insurance Company, which, though in no better position than we are, is omitted." The representative of a manufacturing institution in a special line came before us and showed us from their books that for more than five years not a single one of their employees would have received benefit had this Bill been in effect.

The representations were not limited to those, but I think I have gone far enough.

So we found ourselves confronted with this question: if we continue this exception, what is our answer to the railways, what is our answer to department stores, to the Bell Telephone Company, to any company which can come forward and show that it is on exactly the same footing as those already excepted? I could not give an answer, nor could I suggest what to say to them.

Mr. Jackson Dodds was more resourceful. He said: "You can tell the Canadian Pacific that if they will look after their brakemen, their firemen, their engineers, their conductors, their working men generally throughout the whole system, that is, look after not only their clerical staff, but everyone they employ, you will let them out. We are looking after all ours. If they will look after all theirs, then they can say their claim is on an equality with ours. And tell the Bell Telephone Company the same—that if they will look after all theirs you will let them out." But to me that answer did not seem at all adequate. I do not say there is not something in it; certainly on the surface there appears to be. But is not that a distinction without a difference?

In the first place, suppose we permitted companies to contract out. I do not doubt that it would pay the Bell Telephone Company, for instance, to take care of all its employees. Certainly every company with an unemployment ratio below the average would find it profitable to contract out. And where would the scheme be then? Only the worse half of the risk would be left. What tax would then be necessary? And what about the actuarial calculations? They would be upset by the exceptions, and the scheme would crash.

In the next place, is there any real virtue in saying this to the Canadian Pacific Railway, for example? "We cannot exempt your clerical staff, though they have permanent employment, because you have other employees, those on your trains. It is true that your clerical staff are in the same class as those in the banks and financial companies, but your other employees are not. If you decide to look after them all, then you can come and say that you are just as generous as the banks are and you would be entitled to exemption." I do not see why that should be said to them. What reason is contained in that statement? Is it not merely an enticing form of words rather than an expression of a sound distinction? If the Canadian Pacific Railway has an army of several thousand employees whose jobs are permanent and secure, certainly as secure as the jobs in banks and trust and insurance companies, why should you refuse to exempt them simply because the railway has other classes of employees? When you give some penetrating thought to what appeared to be a reason, it is found to be not a reason at all.

In unemployment insurance the taxation feature is just as essential and just as much a principle of the scheme as is the insurance feature. You have to limit your scheme of taxation to some definite sphere, or else the Government might as well pay all the benefits out of general taxation. Nobody wants that; in fact it cannot be done. The thing has to be limited to a sphere. Now, what is that

in this case? It is the sphere of those who need the benefit. And you cannot except those who need it least, and who therefore can pay the most readily, simply because their employment is more permanent. If you commence leaving out some of those, you must leave out all who can present the same claim for exemption. And as time went on you would eliminate one class after another until only the very poorest risks were left. Such was the reasoning that appealed to us.

My honourable friend from Saint John (Hon. Mr. Foster) would except employees of brokerage offices, security companies and financial concerns of all kinds. Is there any class of business in which employment is more precarious? Unfortunately I happen to know.

Hon. Mr. FOSTER: I suggest only the same exemptions that the actuary did.

Right Hon. Mr. MEIGHEN: I have always felt myself bound by a precedent which has worked and the wisdom of which has been established, but I never felt myself bound by an error, even if made by an actuary. What have we to show that there is any special permanence of employment in security companies and brokerage concerns or partnerships? Why, they were reduced to a skeleton in the darkest days of this depression, and they are little more than a skeleton yet. Still my honourable friend says: "Exempt these people. Let the poor fellows who are thrown out of employment in such businesses look after themselves, because, forsooth, the actuary did not include them." It is for us rather to try to make the scheme impregnable, securely founded on sound principles. I think that by its long and painstaking work the Banking and Commerce Committee has done a very great service, the practical results of which are now evidenced in the construction of the measure.

The amendment of Hon. Mr. Foster was negatived.

The motion of Hon. Mr. Black for concurrence in the amendments made by the Committee on Banking and Commerce was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. RAOUL DANDURAND: Honourable members of the Senate, the Banking and Commerce Committee gave considerable study to this Bill, and we have listened to an interesting debate this afternoon. But there is a feature which has not been stressed, although it was mentioned by one of the speakers. Contributors under this Bill will pay a flat rate. Employed persons earning $600, $1,000, or $1,900 a year, as the case may be, will all alike be required to pay 25 cents a week. At least two-thirds of the contributors will, happily for them, never be beneficiaries of the fund. I estimate that in a time of great crisis perhaps 20 per cent, or at the most 25 per cent, of the contributors would become unemployed. I know of institutions—my right honourable friend has mentioned some—in which there has been no unemployment during the four or five years of this depression. I can point to some firms which employ hundreds of persons and have not had a single instance of unemployment over the last fifty years, even through the present critical period. Employees in these companies realize very well that under this scheme they would contribute not towards their own benefit, but that of other persons who happen to be so unfortunate as to be thrown out of employment.

I am thinking at the moment of institutions in which some employees begin their service at, say, $600 a year and are gradually moved up at the rate of $100 a year as their position improves. I know of hundreds of these people who will feel the injustice of being made to pay the contribution called for under this Bill, since they have no fear of losing their posts and would not voluntarily take out unemployment insurance. They will wonder why they should be called upon to pay $13 a year, which is a considerable sum for one earning less than $2,000, while their fellow employees who have risen to higher positions and are earning more than $2,000 will be free from this element of taxation. For there will be people by the thousands who will see in this scheme only an element of taxation, since they will not be likely ever to draw any benefit from it. And those with modest incomes, to whom I am referring, are less able to pay the tax than are persons earning more than $2,000.

So with a view to overcoming the objection which would be widely felt towards the measure as it now stands, I will move that this Bill be not now read a third time, but be amended by striking out paragraph (n) of the excepted employments in Part II, page 32. That paragraph reads:

(n) Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value two thousand dollars a year or in cases where such employment involves part time service only, at a rate of remuneration which, in the opinion of the Commission, is equivalent to a rate of remuneration exceeding two thousand dollars a year for full time service.

Provided that any person in respect of whom contributions have been paid as an insured contributor for not less than five hundred weeks may continue as an insured contributor notwithstanding anything in this paragraph contained.

The question may arise in the minds of some honourable members why anyone earning more than $2,000 a year should be required to pay 25 cents a week to this unemployment insurance scheme. It may seem extraordinary and even nonsensical that the head of a company, whose income is perhaps $25,000 or $50,000, should have to contribute $13 a year. Well, the Bill provides for payments on the flat-rate basis, and my object is to put all employed adults on the same level, as contributors. There are thousands of men earning but $12 a week, that is $600 a year, who will be obliged to pay 25 cents a week. I repeat that to the man earning above $2,000 the contribution would not be a heavy one; in fact if he receives a big salary the payment of 25 cents a week would be a mere gesture; but those earning below $2,000 would have the satisfaction of knowing that their insurance was being paid for in part by recipients of larger incomes.

I do not know whether I should speak of anything that was said in committee. In both Houses there is a tradition of long standing, which I think comes from the Mother of Parliaments, that we must not refer to what took place in committee. However, I can repeat a statement that I myself made there. I pointed out there that since the early days of Creation it had always been regarded as a penalty that man should earn his bread by the sweat of his brow, but now it is regarded as a privilege to work, and we all should be happy to pay something for that privilege. With a view to equalizing contributions under this Bill, I now move that paragraph (n) in the schedules of excepted employments, on page 32 of the Bill, be stricken out. If this is done we shall all subscribe our 25 cents a week.

Hon. Mr. MURDOCK: I am not opposing the amendment, but may I ask the honourable gentleman a question? Who would collect the 25 cents weekly?

Hon. Mr. DANDURAND: It would be collected in the same way as the other contributions.

Hon. Mr. MURDOCK: Who would collect it from the individual employer? And who would collect it from me, for instance?

Right Hon. Mr. GRAHAM: I would, if I had a chance.

Hon. Mr. DANDURAND: My honourable friend is employed somewhere, and he would be required to contribute his share, his $13 a year.

Hon. Mr. MURDOCK: But am I not exempt because I am employed here?

Hon. Mr. DANDURAND: I am trying to keep within the four corners of the Bill. I confess that my intention was to require a contribution of everyone, and in committee I moved an amendment that every person who made an income tax return showing net receipts of more than $2,000 should add to his tax payment the sum of $13 as a contribution to the unemployment insurance fund. But I was told by my right honourable friend opposite (Right Hon. Mr. Meighen) that such an amendment went beyond the scope of the resolution which preceded the introduction of the Bill in the House of Commons. So I was precluded from reaching all those who have incomes of more than $2,000. I should very much have liked to reach them, for everyone in that class should be as deeply interested as those earning less than $2,000 in coming to the rescue of the unemployed. I should have been very happy to reach everyone, but since I am precluded from doing so under the terms of the resolution which preceded the Bill in the other House, I have moved to strike out the exemption of those earning more than $2,000 a year.

Right Hon. ARTHUR MEIGHEN: Honourable members, I think if the honourable senator who moved this amendment (Hon. Mr. Dandurand) had been in the place he long occupied, and which I have the honour now to fill, he would have been more circumspect and pondered the Bill before undertaking the responsibility of proposing the change.

He has not told us where the amendment would leave the Bill. He wants to strike out the exception of employed persons, other than manual labourers, getting over $2,000 a year. We will say a man is getting $15,000 a year as an employee and is contributing 25 cents a week to the unemployment insurance fund. I suppose the employer has to collect it and deduct it from the employee's salary. But is that employed person to be insured under the Act? What is the intention of my honourable friend? Is the $15,000 a year man to be insured against unemployment? Are we going to take him under the wing of the State and look after him in his misfortune when he is out of work? If my

honourable friend will tell me what is his intention, I will tell him what the law is.

Hon. Mr. DANDURAND: The intention is to put him on the same footing as those who are earning less than $2,000 a year and who, although coming within the area which my right honourable friend has mentioned, and contributing their quarter a week, are not benefiting therefrom. The $15,000 a year man will be on an equal footing with them.

Right Hon. Mr. MEIGHEN: That is, he will be insured?

Hon. Mr. DANDURAND: He will be insured; but he will draw no benefit, like 75 per cent of the people under the $2,000 figure.

Right Hon. Mr. MEIGHEN: If he is to be insured he will draw unemployment insurance when out of work. Many $15,000 and even $20,000 men get out of work. There have been a number of such cases during the last few years. So the honourable member seriously suggests that Parliament make provision for those fellows in receipt of a paltry income of $20,000 or $25,000, for fear that some day they may be out of work. And he is going to insure them against unemployment because we want their 25 cents a week?

Hon. Mr. DANDURAND: The incidence of taxation.

Right Hon. Mr. MEIGHEN: To even up and make the Bill equitable? But the fellow who does not work—who, born rich, is in receipt of an income of $25,000—would not pay a nickel. There is no equity in my honourable friend's proposal, for after he has deformed the Bill by seriously proposing unemployment insurance for rich people, he leaves out the class whose income is obtained by them by way of interest from investment. Those persons do not pay at all.

Hon. Mr. DANDURAND: That is not my fault.

Right Hon. Mr. MEIGHEN: It is the fault of the amendment.

Hon. Mr. DANDURAND: No; it is the fault of the resolution passed in the other House.

Right Hon. Mr. MEIGHEN: It will be seen that my honourable friend has lost sight of the scope and purpose of the Bill. It is not taxation at all except for insurance. You can argue all possible methods of taxation, of course. You can say, "Why not tax those with $100,000 incomes?" That should come before us when we are dealing with taxation pure and simple. Then we could discuss whether they were paying enough taxation, and whether if further taxation were imposed they would get out of the country and the tax go somewhere else. Here we are dealing with taxation for insurance. If you tax those who are not insured, then to that extent it is not insurance at all. My honourable friend seriously says that because the only class he can get at are those whose big incomes are from big salaries he is ready to make them pay 25 cents a week and go through all this paraphernalia, but he will not tax at all the fellow who happens to have an income from investments. The amendment is anomalous and wholly foreign to the Bill.

I think it is simply a plan to enable the honourable gentleman to say, "I want to tax the big fellow." It is the kind of speech made under certain auspices, but I think it is one he reluctantly makes himself. I would impress upon my honourable friend that I oppose his amendment not because I do not think the bigger salaries are able to pay 25 cents a week. Certainly they are. But it is foolish to insure those who need no insurance, who can reasonably be expected to look after themselves without any help at all from employer or State, and who cannot ask us to pay seven or eight million dollars on an organization to look after them. Are we actually going to put on our Statute Book a law to insure them? The thing is absurd. If we just tax them without insuring them, we are outside the purview of the Bill altogether and are dealing with something foreign to its purpose—with taxation alone.

Hon. Mr. DANDURAND: But my right honourable friend admits the $2,000 is but an arbitrary mark.

Right Hon. Mr. MEIGHEN: It has to be put somewhere. The Bill would not be foolish if you put the mark at $2,500 or $1,500. The committee felt $2,000 was about as near the proper place as we could get it. We were guided to some extent by the measure of the salary in England to which the insurance taxation applies.

Hon. J. A. CALDER: Honourable senators, I am not a member of the Banking and Commerce Committee, and as a consequence I have had no opportunity whatever to follow all the discussion in connection with this Bill. I followed the argument on the previous motion, but I am not quite certain what the position is with respect to this particular amendment, and I want to be put right if I am wrong.

I understand the effect of the amendment to be this. At present the Bill provides for

a tax on all who receive wages or salary up to $2,000—

Hon. Mr. DANDURAND: And I strike out that maximum.

Right Hon. Mr. MEIGHEN: All those get the benefit.

Hon. Mr. CALDER: I understand that if this maximum is struck out a tax will be imposed on all persons who receive a wage or salary in excess of $2,000, but none of them will come under the benefit of the Bill.

Hon. Mr. DANDURAND: Oh, no; they do.

Hon. Mr. CALDER: They do come under it? There is, I presume, a maximum amount of insurance to be paid, and those who receive a salary above $2,000 would get only that maximum.

Right Hon. Mr. MEIGHEN: That is all.

Hon. Mr. CALDER: I am quite clear on that. Now the other point. My honourable friend said he knew of groups of employees who for long periods had suffered no unemployment.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. CALDER: It seems to me that does not enter into the question at all. This is a general scheme of insurance; all the insured will have the benefits provided for by the Bill.

Hon. Mr. DANDURAND: If they have the misfortune to be out of work.

Hon. Mr. CALDER: It seems to me nobody can tell who is going to be unemployed to-morrow. It is quite true a concern may have run along for twenty-five, thirty, forty or fifty years without a break. But what may happen five years from now? That concern may become bankrupt and the employees may be thrown out of work. The very fact that you can pick out isolated cases and point to them as examples showing where there is no necessity for this Bill at all, and where the employees should not be made to pay at all, since they are going to get no benefit, is, as my right honourable friend has said, beside the question. What the State is doing is to provide a blanket insurance for all of a certain class, and, no matter what the circumstances are, whenever anyone in that class becomes unemployed he gets the benefit. The mere fact that it does not operate here or there is of no consequence at all. Therefore, so far as that phase of the argument is concerned, I can see no necessity for the amendment. As regards the other phase, if those fellows who have $20,000 salary are to pay a quarter a week and get compensation of only $30 a month, it is hardly worth their while.

The amendment of Hon. Mr. Dandurand was negatived on the following division:

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

ADJOURNMENT OF THE SENATE

Right Hon. Mr. MEIGHEN: I move that when the House adjourns to-day it do stand adjourned until Tuesday next at 3 o'clock in the afternoon.

Hon. Mr. DANDURAND: Is the right honourable gentleman taking into consideration the fact that we have committee work of importance which could be dealt with on Tuesday afternoon?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: Because, as there is nothing on the Order Paper for Tuesday, we might adjourn until 8 o'clock in the evening and have the committee sit in the afternoon.

Right Hon. Mr. MEIGHEN: We might if we were sure of having the committee here. I do not doubt that we should have a quorum, but I do not like to take the risk of not having a full attendance. The Bill before the committee is a very important one.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: I move the adjournment of the House. The Committee on Banking and Commerce will have to meet immediately, because there are certain delegations here who have been waiting all afternoon.

The Senate adjourned until Tuesday, June 4, at 3 p.m.

THE SENATE

Tuesday, June 4, 1935.

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

Prayers and routine proceedings.

LIMITATION OF HOURS OF WORK BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 21, an Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.

He said: Honourable senators, the committee made a large number of amendments to this Bill, but as a whole they are of a minor character. We listened to delegations representing businesses in practically all parts of Canada, and pleas for relief, if I may use that word, were made on behalf of certain industries. On the advice of its counsel the committee felt, though, that we were unable to provide in the Bill for any particular difficulties and that special cases would have to be taken care of by regulations made by the Governor in Council. I may add that the whole measure has been very carefully considered by the committee.

HIS MAJESTY'S SILVER JUBILEE

THE KING'S REPLY TO THE JOINT ADDRESS OF CONGRATULATION

The Hon. the SPEAKER: Honourable senators, the following message has been received from His Most Gracious Majesty the King, signed in his own hand:

Members of the Senate and of the
House of Commons of Canada:

I thank you with a full heart for the loyal and affectionate terms of your Address, which was presented to me by my Prime Minister of Canada at St. Jame's Palace on the historic occasion on the 8th May, when the representatives of all my Dominions overseas gathered to greet the Queen and myself and to offer us their united congratulations and good wishes. So long as we live the Queen and I will never forget that unique and wonderful occasion and the moving words spoken by Mr. Bennett and by those who followed him. In my reply I endeavoured to express the thoughts that filled my heart—thoughts of thankfulness, of pride in all my peoples and of my gladness that their representatives were gathered together to greet us in our home in the spirit of the family.

Your Address recalls the eventful years through which we have passed; the years of war followed by years of economic difficulty and distress. History will never forget how my people of Canada stood side by side with all my other peoples when danger assailed us. At this time of thanksgiving, let us not forget those maimed or widowed by war, or those who are suffering from unemployment in these anxious years of peace. It is only by mutual help that depression can be fought, opportunities for work increased, and happiness and prosperity restored.

Your Address speaks also of the changes in political relation that my reign has witnessed. Of my many causes for gladness there is none greater than that while the bounds of freedom and self-government have been enlarged, so that Canada and the other oversea Dominions have now attained the fullest nationhood, yet they remain united by a common allegiance to the Crown, and the ties of friendship and brotherhood stand fast as never before. I rejoice that my Silver Jubilee has afforded a signal example of that family feeling. Let us keep that spirit and together fulfil that great task that is laid on all the nations of the British Empire, to hold high the ideals of service, liberty and peace.

I am touched by the kind and affectionate words in which you refer to the Queen, who throughout my reign has shared my joys and my sorrows, my labours and my leisure. I thank you also for your reference to visits by members of my family; through them I am enabled to keep in close touch with the development and progress of my peoples overseas.

I thank you for your prayers, and I pray that the blessing of Divine Providence may rest on my people of Canada and give them happiness and peace.

(Signed) George R. I.

11th May, 1935.

SUPPLEMENTARY PUBLIC WORKS CONSTRUCTION BILL

FIRST READING

Bill 63, an Act to create employment by public works and undertakings throughout Canada and to authorize the guarantee of certain railway equipment securities.—Right Hon. Mr. Meighen.

WEIGHTS AND MEASURES BILL

FIRST READING

A message was received from the House of Commons with Bill 70, an Act to amend the Weights and Measures Act.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Perhaps this Bill can be read a second time to-day, so that, in the event of

our being able to reach it, we can deal with it in committee in the morning. All the Bill does is to increase the penalties for false scales or false weights given. I may say that on reading the measure it occurred to me that a rather important amendment would be necessary. I do not think the House will have any objection to giving the measure second reading to-day and referring it to the appropriate committee.

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

INDUSTRIAL DISPUTES INVESTIGATION BILL

FIRST READING

Bill 71, an Act to amend the Industrial Disputes Investigation Act.—Right Hon. Mr. Meighen.

JUVENILE DELINQUENTS BILL

FIRST READING

Bill L2, an Act to amend the Juvenile Delinquents Act.—Right Hon. Mr. Meighen.

CRIMINAL CODE BILL

FIRST READING

Bill M2, an Act to amend the Criminal Code.—Right Hon. Mr. Meighen.

THE RAILWAY PROBLEM IN CANADA

NOTICE OF MOTION FOR RETURN

On the notice of motion by Hon. Mr. Casgrain:

That he will call the attention of the Senate to the railway problem in Canada and will move that an Order of the Senate do issue for a return giving the gross railway receipts in each of the nine provinces, separately, the number of miles of railways in each province, also the railway expenditure for operation in each province.

Hon. Mr. CASGRAIN: Stand.

Right Hon. Mr. MEIGHEN: I wish to say a word on this subject. The proposed motion calls for a statement showing the receipts and expenses of the Canadian National Railways by provinces. I have before me a letter written by the Chairman of the Board of Trustees in which he says it is quite impossible to divide either the revenues or the expenses on that basis. It will be readily understood that revenues are not divided by provinces. There is a great deal of intra-provincial traffic, but there is also a vast amount of interprovincial traffic, and the railway books are not, and could not be, kept in nine different sections showing the figures according to provinces. Therefore it would be impossible to answer the question as now put.

Hon. Mr. CASGRAIN: The railway problem affects not only one railway, but both, and what I asked for was the amount spent by those railways; not by the Canadian National Railways alone. When I make my speech I shall tell you the reason why they will not give the answer. They know it perfectly well.

Right Hon. Mr. MEIGHEN: By provinces?

Hon. Mr. CASGRAIN: Sure. If they do not, they do not know their business.

The notice stands.

ADMIRALTY BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill E2, an Act to amend the Admiralty Act, 1934.

He said: Honourable senators, this Bill contains two amendments to the Admiralty Act. The first one is adequately explained by the note printed opposite clause 1. In section 24 of the Act the word "debtors" was by inadvertence used instead of "creditors." It seems strange that the original measure could have got through with this error. Plainly the word "creditors" was meant, and the amendment substitutes that word for "debtors."

The second amendment is on a point which had some consideration when the original Bill was before a committee of this House. This amendment is suggested by the President of the Exchequer Court, who is the head of the court which deals with admiralty matters in final appeal. Apparently the necessity of having two judges in appeal is an onerous one. The committee desired that if possible there should be two judges, as it was felt that one would hardly be of sufficient weight and status to sit in appeal from the decision of a judge who has more frequent dealings with admiralty matters than has a judge of the Exchequer Court. But the difficulty of having appeals heard by two judges has proved too great, and the purpose of the amendment is to do away with the present requirement, so that only one appeal judge will be necessary. I remember well the discussion on the original Bill, and I feel certain that with the opinion of the President of the Exchequer Court so firmly expressed as it has been on this point, the committee would readily accede to the amendment asked for, if the present Bill were sent to it for consideration. I therefore hope that the motion for second reading will carry and that we shall go on to third reading to-morrow.

Right Hon. G. P. GRAHAM: Honourable senators, I remember very well the discussion that we had in a sub-committee, and the feeling was exactly as the right honourable leader has just outlined. Not being a legal man, I can only say that the question of having a fully qualified appeal judge was under consideration. I mean not merely a judge technically qualified, but one who has the status that would be thought necessary for a judge who sits in appeal from another judge. The difficulty of having two judges was mentioned, but if I remember rightly the sub-committee rather inclined to the view that it would be wise to have both, and the committee approved of that view.

Right Hon. Mr. MEIGHEN: That is right.

Right Hon. Mr. GRAHAM: If in the circumstances it has become almost impossible to carry on with two judges, I cannot see that we are able to do anything but amend the Act.

Hon. Mr. CASGRAIN: Is it customary for one judge alone to upset the opinion of another judge? We have two judges on the Exchequer Court now, and without any extra expenses they are available for appeal.

Right Hon. Mr. MEIGHEN: The Exchequer Court is composed of Mr. Justice MacLean and Mr. Justice Angers. They are peregrinating, going all over the country, and I imagine no busier judges could be found in Canada. The President of the Court says that it cannot be arranged to have them both sit in appeal on admiralty cases. I think we had better meet the situation. It will be recalled that a judge at one of the extremities of Canada, who was sitting pretty regularly in admiralty matters and had made a considerable study of the law on that subject, did not like the possibility of being reversed by a single judge who was more rarely dealing with admiralty law. That consideration certainly influenced the committee. But what are we going to do? We have only two Exchequer Court judges.

Hon. Mr. CASGRAIN: Could they not come to Ottawa? We go to England for appeals, and they might come to Ottawa.

Right Hon. Mr. MEIGHEN: They are here. I am ready to accept the word of the President of the Exchequer Court that the inconvenience at the present is great and that the Act should be amended.

Right Hon. Mr. GRAHAM: I would rather have this Act amended than another Exchequer Court judge appointed.

Hon. Mr. CASGRAIN: There are two now.

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

POST OFFICE BILL (NEWSPAPER OWNERSHIP)

SECOND READING

Hon. JAMES MURDOCK moved the second reading of Bill 50, an Act to amend the Post Office Act (Newspaper Ownership).

He said: Honourable senators, to-day I find myself in a rather peculiar position, having undertaken a few weeks ago to father a private member's Bill that came to us from another place and appeared about to pass out because no one would accept responsibility for moving its adoption in this House. The measure was, I understand, passed unanimously by the elected representatives of the two or three parties in that other place. The Bill is entitled, "An Act to amend the Post Office Act (Newspaper Ownership)," and in effect it is somewhat in line with the order of the day—if, as I think we can agree, the order of the day, not only in Canada but in other countries of the world, is regulation, control, and in many cases domination or dictation as to the acts or rights of the subject.

In this Chamber at present we have several capable and representative senators, with long membership, who are personally interested in this proposed legislation because they are in the business of handling or assisting to handle or to dominate a newspaper.

Involved in this measure, as I read it, is the question of the freedom of the press, or the rights of the press. For a few moments I am going to undertake to discuss what under the changed conditions of to-day, in relation to the conditions of bygone days, are the rights of the press, and whether it would be, as it has been held, inconsistent with those rights for us to pass the Bill. The Bill provides, in part:

> The editor, publisher, business manager or owner, of every newspaper, magazine, periodical, or other publication, shall file with the Postmaster General and the postmaster of the post office designated by the regulations, not later than the first day of April and the first day of October of each year, on blanks furnished by the Post Office Department, a sworn statement setting forth the names and post office addresses of the editor and managing editor, publisher, business managers and owners, and, in addition, the stockholders, if the publication be owned by a corporation; and also the names of known bondholders, mortgagees or other security holders; and such

additional information concerning the interest, direct or indirect, of any person in such publication or its stock, bonds, or other securities as the Postmaster General shall by regulation require, such information to disclose the ownership of such publication.

In the light of some of the legislation that has been before us in this Senate and before the elected representatives of the people in another place during the present session of Parliament, I am unable to see anything radical or unreasonable in the proposals that I have just read. But we Canadians in years gone by have, and I think very properly, taken considerable pride in the independence and freedom of the press of our country. Generally speaking, we have had little to complain of as to inequities, improprieties, and, shall I say, camouflage on the part of our press; though there has possibly been some ground for complaint, as I shall in a few moments undertake to show.

Whence comes the Bill, and why? So far as the people's elected representatives in another place are concerned, it is almost in the class of a perennial. I find that in 1925 it was proposed in that other place by the same honourable gentleman who sponsors it at the present time. That year the Bill made no progress beyond first reading. The same honourable gentleman renewed his efforts in 1926 and 1927, with the same result. But in 1928 the measure was passed and sent over to the Senate of Canada, this body of distinguished thinkers answerable only to their conscience and their country—

Hon. Mr. CASGRAIN: Hear, hear.

Hon. Mr. MURDOCK: —who were expected to deal equitably not only with newspaper owners, but with the general public. But what did they do? They did what they had done in some other cases and what I am told is soon to be moved for in this case: they gave the Bill the six months' hoist. They did not undertake to deal with the merits or the equities of possibly regulating the freedom or the rights of the press. No. They just pushed the Bill aside for six months, which meant its sudden death, and they got out of an unpleasant incident. So the Bill died.

In 1929 a similar Bill was received from another place by this distinguished body of representative Canadian citizens answerable only to their conscience and their country. It is not my right, I presume, to criticize what they did. But they did not go so far even as in 1928. The Bill was chloroformed in the Committee on Miscellaneous Private Bills on the ground that the preamble was not proven.

In 1930 a similar measure came to us from the other House, and again it was chloroformed—is it unfair for me to say?—from lack of courage to allow it to come before the Senate for a proper discussion. Why that lack of courage? Your answer is as good as mine.

We are now in the thirty-fifth year of the twentieth century. The years have brought to Canada, yes, and to the whole world, many remarkable changes. During the present session bills have been presented to Parliament that would not have been dreamed of a few years ago; bills to dominate and control the individual and the corporation. If Parliament is consistent in placing upon the Statute Book this social legislation, is it unfair to ask, why should not the press of Canada be given a little of the same regulation prescribed for others in a less favoured position?

Is there any necessity for a Bill of this kind? Some of us when talking about the other fellow strenuously oppose his camouflage, four-flushing and bluff. We do not like him to try any of that on us or on the people of the country generally. But is it possible that these many years some of the press of Canada has been getting away with just that kind of thing? Right here and now let me say that if it has been done, it has been the exception and not the rule, in my judgment. Far be it from me to charge that the press of Canada generally undertakes to camouflage and four-flush and bluff, to present opinions different from those they really entertain. But what is the condition? Is it unfair for me to suggest that in one particular case I have in mind the London Free Press, a dyed-in-the-wool Conservative paper for many years past? It dominates and controls unquestionably the London Advertiser, which is supposed to promulgate Liberal views. I think virtually everybody is familiar with that situation in London. If this is so, are not the people in the neighbourhood of that city, whether dyed-in-the-wool Conservatives or dyed-in-the-wool Liberals, entitled to know how much camouflage or bluff or four-flushing may be contained in the editorials of either paper? It seems to me they are, and that this Bill would smoke the nigger out of the wood-pile and place the onus for the editorials or the news published in either paper just where it belonged, and would thus give them the weight they deserved, coming from that source.

Then let us go to a place a little closer. Is it unfair for me to suggest that the Montreal Star, a dyed-in-the-wool Conservative paper, dominates and controls the Montreal Herald, a supposedly Liberal paper?

Hon. Mr. CASGRAIN: I rise to a point of order.

Hon. Mr. MURDOCK: I am making this speech.

Hon. Mr. CASGRAIN: I was for eight years president of the Montreal Herald. During that time I never found out who owned it, whether the Montreal Star or any other interests; and I do not know yet.

Hon. Mr. MURDOCK: I do not know any distinguished gentleman in Canada better fitted to occupy a dual position of that kind. I think my honourable friend could do it with credit to himself.

But I give those two illustrations as reasons why this particular Bill should be placed on the Statute Book. I expect of course that no word of mine will convince certain distinguished representatives in this House that the Bill is at all necessary. I expect shortly after I sit down to hear a motion moved, possibly by an honourable member directly interested, to give the Bill the six months' hoist. I serve notice now that I shall take the position that under the rules of the Senate any honourable member directly interested is not qualified to make such a motion.

But let us go a little further and see what we are undertaking to do with the other citizens of Canada, and if it is not fair for us to administer regulation of a similar sort to newspaper owners or publishers. Section 7 of Bill 22, which provides for a weekly day of rest in industrial undertakings, is in these words:

> Every employer who violates, or fails or omits to comply with any provision of this Act shall for each offence be liable on summary conviction to a fine not exceeding one hundred dollars and not less than twenty dollars in addition to any other penalty prescribed by law for the same offence.

What offence? For neglecting to see that a printer, a type-setter, a linotype operator, or a reporter, I presume, has had a weekly day of rest. Surely we have a right to ascertain definitely, under the Bill now before us, who it is that is liable to the fine.

Then we come to Bill No. 8, which was before a committee of this House for a long time—the Bill to provide for unemployment insurance. Therein it is provided that any person knowingly making any false statements or representations shall be liable, on summary conviction, to imprisonment for a term not exceeding two months, with or without hard labour. How are we, under existing conditions, to find out who it is that the law should be invoked against with respect to newspaper publications? The Bill contains other penalties.

Then we come to the Bill, now before a committee of this House, to provide for minimum wages. It contains this clause:

> Every employer is guilty of an offence, punishable on summary conviction, and liable to a penalty not exceeding one thousand dollars or to one month's imprisonment or, if a corporation, to a penalty not exceeding five thousand dollars, who pays to any worker wages at less than the minimum rates of wages.

How can we adopt that provision without also accepting the present measure, so we may smoke out those who are in control of the press of Canada?

Another piece of social legislation is Bill No. 21, an Act limiting the hours of work in industrial undertakings to eight in the day and forty-eight in the week. That Bill too contains very drastic penalties for violations of its provisions.

Therefore, honourable members, it seems to me that if we have reason to believe that this free and independent press that we cater to, or nurse, or in many cases tolerate, has been camouflaging, we should pass this present Bill. I refer to some of our newspapers, not all. Let nobody in front of me object, for I am not speaking to any individual member, but we know that some of our newspapers have accepted pay for editorials that their management did not believe in, just for the purpose of feeding to the uninitiated citizen something that it was thought would gratify him. Are we, representing the Canadian people, and answerable, as I have said, only to our conscience and our country, justified in permitting a condition of that kind to continue longer when in every walk of life we are undertaking to regulate what the employer, yes, and the employee, shall do?

I repeat, honourable senators, this Bill is not of my choosing. I am simply moving its second reading lest it should fail for lack of a sponsor. Personally I think the purpose of the Bill is absolutely right, and in my judgment the press of Canada will make a mistake right here and now if it does not rise up and support a measure of this kind. I want to know how the press in any part of Canada can undertake to back up the social legislation that has been before Parliament in the past few weeks and at the same time say, "We will have no regulation; we decline to let you know whom or what we are connected with, or how much interest we have in this, that or the other paper." It seems to me that the people of Canada are entitled to a practical demonstration from the press of the country that the great amount of regulation that is good for the ordinary citizen is also good for those who in years gone by have been in a specially favoured

position. So I hope that before the chloroform is administered to this particular measure we shall hear some other views in respect to it, because I am quite sure that some of those within the sound of my voice are entirely opposed to its provisions. I think that in this twentieth century, in the year 1935, and in conformity with the other measures being enacted by the Parliament of Canada, this Bill should pass.

Hon. SMEATON WHITE: Honourable senators, in introducing this Bill the honourable member who has just taken his seat suggested that proprietors of newspapers should not take part in this debate.

Hon. Mr. MURDOCK: I did not say that, sir.

Hon. Mr. WHITE: I understood it in that way.

Hon. Mr. MURDOCK: What I said was that the proprietor of a newspaper should not move the six months' hoist.

Hon. Mr. WHITE: I cannot quite see the difference. If there is any bar preventing the proprietors or others connected with newspapers from taking part in this matter, I think we should have a ruling on the question whether an honourable member who is greatly interested in labour matters should take part in debates concerning them. A certain honourable member has made speeches and has been very active in that field, and I do not think he will deny that he is interested.

Hon. Mr. MURDOCK: Quite interested.

Hon. Mr. WHITE: So, if the rule applies in the case of the newspapers, I think it ought to apply in the other case as well.

I doubt very much if the honourable member has ever read the Post Office Act. I suppose he knows that there is a Post Office Act under which newspapers operate. This Bill simply amends that Act. If the honourable gentleman would read the Act he would find that already the Postmaster and other authorities have a good deal of control over newspapers—a great deal more, perhaps, than he might suppose. He seems to take it for granted that newspapers are free to do just as they like. If he will carefully read the Post Office Act he will find that that is not the fact, but they are very much controlled.

Furthermore, this amendment applies only to newspapers which are registered with the post office, and I think the honourable member must know that in his own city of Toronto—does the honourable gentleman still call Toronto his own city?—

Hon. Mr. MURDOCK: No. I shook the dust off my feet.

Hon. Mr. WHITE: —there are one or two of the most objectionable newspapers, so-called, in Canada, and that they are not registered with the post office.

Hon. Mr. MURDOCK: You are right.

Hon. Mr. WHITE: This Bill does not touch them at all. The honourable member has told us of one or two papers in regard to which he thinks there is some doubt as to ownership. There is no camouflage at all about the ownership of newspapers, and the local public know who owns them. There are three or four proprietors of newspapers in this Chamber, and I do not think any of them would object to making a public detail statement as to ownership.

This measure has been before Parliament several times. It has been considered and refused, being regarded as unnecessary, and as class legislation. Therefore, notwithstanding what the honourable member has said, I move the Bill be not now read a second time, but that it be read six months hence.

Hon. W. A. BUCHANAN: Honourable senators, I am not going to move the six months' hoist or suggest a reference of this Bill to a committee; neither am I going to vote on it. I am going to take the position that I am personally interested in the Bill, and so far as voting is concerned, I prefer not to express an opinion on it, but to leave the decision as to whether or not it is justified to those who are not identified with the newspaper business.

Personally I have no objection to revealing the ownership of the newspaper with which I am associated, or to giving the names of the shareholders. But I think this legislation is of very little use. In the province of Alberta it is possible for the people to know who are the owners of the newspapers. Every year, under the Joint Stock Companies Act, we have to register the name of every shareholder of the company. It is my recollection also that mortgages or bonds or anything of that character must also be revealed. If a person has any doubt as to the ownership of an Alberta newspaper he can gather information on that point very readily without the necessity of the newspaper's publishing it.

Another point is this. I do not think there is any community in Canada where the people within the area of the circulation of a newspaper do not know who are the owners of that newspaper. Take the cases mentioned to-day. I am satisfied that the people know about the ownership of the newspapers that were men-

tioned by the honourable senator who moved the second reading of the Bill, and I do not think this legislation would improve their knowledge. I do not think it would be revealed that a newspaper owned a competing newspaper. It would be possible to disguise the fact, more or less, by showing that it was owned by a trust company, or by someone in trust. There are only one or two cases of that kind in the whole Dominion of Canada.

I would not object so much to the publication of the lists of shareholders; but why should a newspaper be picked upon and compelled to reveal its internal affairs to the general public? If it is necessary for me to place a mortgage on my newspaper business, why should I have to reveal that fact when someone else, in some other business, is not required to do so? So far as the ownership of newspapers of Alberta is concerned—and I think perhaps the same is true in every province of the Dominion—this information has to be revealed. We are compelled to give this information under provincial legislation. In the province of Alberta, at any rate, the information is given to a government department, and is available to anyone who wants it. But I think it is absolutely unfair to demand that newspapers should reveal their private affairs by publishing a notice, if they are compelled to place a mortgage on the business.

I suppose the newspaper business is being singled out because it is believed to have an influence upon the public mind in regard to public questions. But why not select the radio? We are told that radio is a great moulder of public opinion. Do we know who are the owners of the radio stations, or who are the sponsors of the speeches that are broadcast? Do we know who is paying for some of the radio programmes in which public questions are discussed? We in the province of Alberta at the present time are hearing, almost entirely over the radio, tirades by different persons on public questions. The people there are asking how these broadcasts are being financed. Would it not be just as fair to demand a disclosure of the names of those who are providing the money for these broadcasts as to compel the newspapers of this country to reveal all the intimate details of their business?

I would go as far as to say that I have no personal objection to this Bill. I am prepared, if it is necessary, to reveal all that is asked. But as a newspaper man, and the publisher of a newspaper, I do not think it is right, particularly when it comes to announcing the necessity of placing a mortgage on the newspaper, that we should be asked to do something that is not demanded of other private businesses. If there are ulterior motives behind the placing of some of these mortgages, is this legislation going to help to disclose the fact? I do not think so. The stock of a newspaper might be held in trust by some individual on that newspaper, or some individual interested in it, and that someone might be the power behind the throne, but I do not see how this Bill can force revelation to be made. I do not think there are many instances of the kind mentioned in the whole of Canada; I think the actual ownership of nearly every newspaper is known by the people living within the area in which it circulates.

Now, I want to repeat that because I have what might be called a personal interest in this Bill I prefer to leave to those members of this body not actively engaged in the business aimed at, the decision as to whether this measure is justified or not.

There is just one matter on which I should like to be enlightened. I should like to know whether this legislation is aimed only at newspapers that circulate through the post office, or whether it is intended to reach all newspapers, whether circulated by express or truck, or in some other way. There is in the country a type of newspaper to which the people generally, I think, object. I do not think any of the newspapers of that type are circulated through the post office. They are simply sent out to news agents, and are sold on news stands and by boys on the street. This legislation would not affect such newspapers. They could evade this legislation, I think, and it would reach only newspapers transmitted through the post offices of Canada.

I do not want to influence the minds of my fellow members in respect to this Bill. If they feel that it is in the public interest that the information sought should be given to the public, I am prepared to submit to the legislation; but I do feel that there are strong objections to one business in Canada being singled out and asked to give so much publicity in regard to its own internal affairs when others are being overlooked entirely.

Hon. Mr. CALDER: When the honourable member from Lethbridge (Hon. Mr. Buchanan) rose, I was about to ask the honourable senator who moved the amendment (Hon. Mr. White) a question. He stated that this field of legislation is covered, to some extent at least, by the present Post Office Act.

Hon. Mr. WHITE: Yes.

Hon. Mr. CALDER: I should like to know to what extent the measure now before us varies from the existing Act. What is required under this Bill that is not required under the Post Office Act?

Hon. Mr. WHITE: The Post Office Act necessarily deals with the conduct of the newspapers, speaking generally. This Bill applies largely to the finances of newspapers, the set-up of the shareholders, and so on, though, as the honourable member from Lethbridge has said, we have to make returns. I think we make four or five government returns annually to different departments, showing the list of shareholders and the annual statement of the company, and giving practically all the information asked for.

Hon. Mr. MURDOCK: But those returns are confidential, are they not, in the same way as an income tax return? It is proposed to let the public know what the information is.

Right Hon. Mr. MEIGHEN: May I ask the mover of the motion a question? Will this apply to foreign newspapers—to papers from the United States?

Hon. Mr. MURDOCK: I am sorry the right honourable gentleman asks that question, because all I know is that the Bill says:

> The editor, publisher, business manager or owner, of every newspaper, magazine, periodical or other publication, shall file—

the information as set out in the Bill. I do not see anything making it necessary for the publication to go through the mail before the statement must be filed.

Right Hon. Mr. GRAHAM: It does not come under the Post Office Act at all unless it goes through the post office.

Right Hon. Mr. MEIGHEN: I am becoming more mystified as the debate proceeds.

I must say, first, that I have not made up my mind about this measure. There is one clause that appeals to me as right, namely the one which forbids newspapers to publish ostensibly as the opinion of the owner or owners of the paper what is really paid-for advertising matter. To make it appear that such material emanates from the brain and judgment of the owner, and is not advertising matter, seems to me to be misleading and deceitful, and to be guarded against by legislation. Of that I am already convinced. As to the rest of the measure I am open to conviction, but I am certainly mystified.

The honourable senator has given quite a history of the legislation. Perhaps this legislation was before Parliament when I was a member of the other House. When was the first time—

Hon. Mr. MURDOCK: 1925.

Right Hon. Mr. MEIGHEN: I was there then.

Hon. Mr. MURDOCK: It reached only the first reading stage at that time.

Right Hon. Mr. MEIGHEN: I do not recall taking a stand upon it. Had I done so, I should just have to depend upon my judgment being now the same as then; otherwise I might be very inconsistent.

Now, let us examine the Bill. If the Bill is right, it is for us to pass it. If it is fundamentally wrong, or if I deem it to be not in the public interest, no matter how often it comes from the other House, I shall take whatever means are offered—whether it be the six months' hoist or "preamble not proven"—to vote against it.

What is the function of Parliament with relation to all these questions? The honourable member who moved the second reading of the Bill dwelt for some time on the inroads that legislation is making day by day and year by year upon private rights. More and more a scrutiny of private interests is being exercised, and more and more limitations are being placed upon privileges and what have long been regarded as innate human rights. As civilization advances we find this necessary in order that vastly greater rights may not be damaged. The purpose to be kept in view is to protect the public interest in the light of advancing times. If we can do this and improve the position of the readers of a newspaper in relation to that paper, it is our duty to do so, and no solicitude for the special desires and special powers of newspaper owners—and they are very great—should deter us at all.

To my mind we ought to go to the full extent of seeing to it that the utmost good faith is observed between the newspapers and the public. Subject to reasons to the contrary, not only do I see no harm, but I see good to be obtained by making certain that a newspaper does not publish as its own view something that is merely an advertisement for which it is paid.

But when there is a proposal to go further and say, "You must let the public know all the details of the ownership of your paper," it is necessary for us to inquire what object we are going to reach by such legislation, and what the cost of reaching that object will be. I am very much impressed by what was said by the honourable senator from Lethbridge (Hon. Mr. Buchanan). He pointed out first that we do not make any such requirements of other private interests. Well, sometimes it is necessary to distinguish. But if we distinguish we must be careful that there are

rules which when applied to newspapers will be for the public benefit, but which would not be for the public benefit if applied to other private institutions. Suppose we passed this Bill, what would be the first thing to happen? Newspapers would be required to supply the Post Office Department with a list of their owners, their bondholders, mortgagees, stockholders, and so forth; and the only hold the Department would have on the newspapers would lie in its power to forbid the use of the mails to any publication which did not comply with the law. If it were not for that suzerainty of the mails we could not enforce such legislation. What a newspaper does in this respect is a matter of civil rights, and within the domain of the provinces. But we have the post offices under us and we can say what may and what may not go through the mails, and we are asked by this measure to exercise our control of the post offices as a means of seeing to it that certain information is given to the public by the newspapers.

Then if the Bill were passed the foreign newspaper would be compelled to supply this data. Or I presume it ought to be so compelled, if the Canadian newspaper is; otherwise a distinct advantage would be given to the foreign competitor. Is it going to comply? It is not. Does the honourable member think that the public of Canada would sit silent while the great newspapers and magazines of England, France and the United States were shut out of this Dominion? Just for the sake of their Canadian circulation they are not going to reveal all the details of their ownership and control. But this Bill in its practical effect, as I interpret it now—I may be corrected as the debate goes on—would put a wall around Canada and shut out the literature, magazines and press of other lands. Would not that be the effect?

Hon. Mr. MURDOCK: I think not. I think if the right honourable gentleman would read these amendments to the Post Office Act he would see that they apply to those publications, magazines or periodicals printed in Canada.

Right Hon. Mr. MEIGHEN: What horn is the honourable gentleman on in that case? He would pass a law which says: "You, the New York Times, the New York Journal, the Hearst press of the United States, can circulate in Canada without any restriction at all. You do not need to reveal who owns you, or what is behind you, or what interest, openly or otherwise, is directing your conduct. You have a free hand. But if you come here and employ people in Canada, if you invest money in our country and establish a paper, we will put all these chains around you and you cannot publish unless you do this, that, and the other thing." In other words, this Bill would give a great measure of encouragement to outside newspapers, magazines and publications, and handicap our own.

Another point raised by my honourable friend from Lethbridge is very important. I know a newspaper, or at least a publication—I am not sure what would be the right name for it—which never uses the post office at all, yet circulates through the whole Dominion. By adding to this Bill we may include it, but our addition would be utterly without any constitutional basis. We cannot legislate about it. It is beyond us, being wholly a matter of civil right. So the effect of the legislation would be to declare: "If you are among the submerged tenth, a more or less free lance whose purpose is, to say the least, doubtful and distasteful, and if as a consequence you do not need to use the mails, go ahead and publish. We will put no limitation at all on you; we cannot. On the other hand, if you circulate in the ordinary way, as the respectable press does, we will tie you up with the chains of this Bill."

These are the two dilemmas which face us. I do not know what considerations moved the other House, but I have never heard of either of these matters being raised there. They seem to let the measure go through on the understanding that there is some popular demand for it. But these points that we have to consider are serious—tremendously serious.

A still further point raised by the honourable senator from Lethbridge is the question whether the public would be any wiser after the information was given. If I owned a newspaper it would be for me to say whether the public was a particle wiser or not. And if the state of ownership was such that I did not want to disclose it, the disclosure could very easily be avoided. Why not formulate a little company to own the stock? That is all that would have to be done. Or there could be two or three or half a dozen stockholders. And I should be solemnly stating to the Post Office Department and publishing in the press that John Doe Securities was the owner of so many shares of the stock of this newspaper. So the public would be just as wise as it was before. That cannot be covered, for the reason that the editor, owner, publisher or other official may make the affidavit, and the fellow who knows the least will make it. He will tell the truth as he knows it, and the public will not be a bit better informed afterwards.

So I say the proposed legislation is discriminatory against Canada and would produce a state of affairs to which the Canadian people

would not submit for a moment, namely, the exclusion of the foreign press. Secondly, it is discriminatory to the respectable newspapers, because it would give a great advantage to those who do not need to use the post office at all. And thirdly, as a means of reaching its real objective it would be useless. That is the way I feel at present.

But I can see no objection to that part of the Bill which would compel a newspaper to be honest, so that when it published something as its own view its readers would have a right to take it as that. You cannot circumvent a newspaper, though. I have been long enough in public life to know that anything a newspaper cannot do within the law is beyond the comprehension of the ordinary man. You get news said to have been sent from here, there and everywhere which in fact was never sent at all, but was written in the newspaper office. The public believes it is reading a dispatch from Ottawa, Montreal, or Vancouver, while really the thing is just the design of a scheming newspaper editor, written in his own sanctum. And how to stop it I do not know. There was a time when I should have liked to stop it, if that could have been done. I can recall very well being a sufferer in the late days of 1921. But it will never be stopped by this measure. I do not know why the newspapers oppose the Bill. If I were a newspaper owner it would not bother me for a moment. But that does not mean I should support what I feel is fundamentally unsound, and futile besides.

Hon. Mr. BUCHANAN: May I ask a question? If this Bill covers only publications that pass through the post office and exempts those that are circulated in other ways, would it not be possible for some of the types of newspapers that have been under criticism today, which are circulated by newsboys and delivered in cities and towns, to avoid having to publish in the copies distributed locally the information asked for in this Bill, and simply publish it in those copies that do go through the mails for outside circulation?

Right Hon. Mr. MEIGHEN: Yes, certainly.

Hon. Mr. BUCHANAN: So the owners would be required to publish the information designated by the Bill, not in those copies circulated in a paper's home town, where the facts might be sought, but only in the copies forwarded through the mails to outside points. I was wondering whether that could not be done under this amendment.

Right Hon. Mr. MEIGHEN: Undoubtedly it could. That was part of the main objection that occurred to me as my honourable friend was speaking. And as time goes on the post office will become more and more unnecessary to the press.

Hon. Mr. MURDOCK: If there is only one small part that is good in this Bill—and I understand my right honourable friend is in favour of that part which requires paid editorials to be marked as advertisements—could it not be picked out and sent to a committee for consideration as an amendment to the Act to that extent? The Bill having taken ten years to get thus far, could we not send on that much of it?

Right Hon. Mr. MEIGHEN: I will support a motion to send the Bill to committee.

Hon. SMEATON WHITE: Honourable senators, after listening to the address of the honourable senator from Lethbridge (Hon. Mr. Buchanan) I should like to withdraw my motion, if I can get the consent of the House. Should it be thought useful and desirable to send the Bill to committee, there would then be nothing in the way.

Hon. H. C. HOCKEN: Honourable senators, on the surface of the Bill I am unable to see any reason why it should not be passed. I do not think it could do any harm, for all the information that it requires is available to the public now. And in view of the fact that the measure has been passed at least three times by the other House, some people have the impression that a malign influence is operating to prevent it from going through the Senate. That was the principal reason why I favoured it. But after listening to the honourable senator from Lethbridge (Hon. Mr. Buchanan) I cannot vote for this Bill. I know publications in Canada that never go near the post office, and they are the most vicious that are published in the country. Yet they would not be touched at all. The Calgary Eye Opener never went to the post office.

Hon. Mr. POPE: It did not have to go.

Hon. Mr. HOCKEN: And there are publications in my own city that never go near the post office. They are vicious things that should be suppressed, if suppression is possible. My opinion of the measure was entirely changed when the honourable senator from Lethbridge raised this point, which I had overlooked, that, after all, the papers that ought to be suppressed and placed under control of some kind are the very ones that would not be reached.

This kind of legislation originated with the octopus hunters in New York. I remember when Jay Gould owned the World. To show how ineffective it it for a capitalist to buy a

paper with the object of influencing public opinion, his case may be mentioned. He used the paper, it was said, to boost the bonds and stock of the Erie Railway and other railways in which he was interested. With all his money and all the power that he had through it, he was able to build up the circulation to somewhere about 30,000. Well, the time came when he made up his mind that he was not getting anywhere in trying to improve the value of his stocks in this way; so he sold the paper to Mr. Pulitzer. Within a few months the circulation went up to 200,000, and later of course it went far beyond that.

In Canada everybody knows to-day who own the newspapers. In Toronto we know who own the Globe, the Mail, the Telegram and the Star. It is common knowledge who own the Montreal Star and the Montreal Herald.

Hon. Mr. CASGRAIN: Who knows who owns the Montreal Herald? I do not know yet, and I do not suppose I ever shall.

Hon. Mr. HOCKEN: Reference was made to ownership of the London Advertiser by the Free Press. Notwithstanding that fact—at any rate I believe it to be a fact, although I have no personal knowledge that it is—the Advertiser publishes to-day editorials which are as strongly Liberal as are those in the Globe or any other Liberal paper in Canada. If the Free Press really does own the Advertiser, it apparently exerts no influence to control the editorials. And I know that the editor of the Advertiser would not submit to any such control. He left one newspaper because he felt he was not given as free a hand as he should have had in expressing his opinions. He is a Liberal by conviction, who writes Liberal editorials, and he writes them well, for what they are worth. Everybody in Toronto and London knows about the ownership of the London Advertiser. You cannot keep a thing like that a secret, and I do not see any reason why anyone should try to. For if a person wants to know the facts he has only to go to the office of the Registrar General in the Provincial Secretary's Department, where he will be able to find the name of every stockholder and the amount of stock he holds. So I do not think it would do any harm to the newspapers if all that information provided for in the Bill were published twice a year.

If I were running a daily newspaper I would not object at all to legislation of this kind. But I think we should not pass it until we can get a measure that will control publications of the character of the Calgary Eye Opener. I was prepared to support this Bill because I was convinced it would do no harm to the newspapers, while doing no particular good to the public, but the point raised by the honourable senator from Lethbridge makes all the difference in the world to me.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman a question? He seems to make a point about who owns a paper. What does it matter who is the owner? Why should a man not own a good Conservative paper and at the same time a good Liberal paper? It is a matter of business. However, I am against this Bill because it is one of those silly things resulting from some of the public wanting to mix in private business. It costs a lot of money to run a newspaper.

Hon. Mr. BALLANTYNE: The honourable member does not mean to suggest that any newspaper man in Canada would run two papers, one supporting the Conservative party and the other the Liberal party?

Hon. Mr. CASGRAIN: I fail to see anything wrong in that. I could publish a Conservative paper, and give good reasons for doing so.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: And the same with respect to running a Liberal newspaper. Take an editor who for years has been writing editorials for a Conservative paper. He finds he can get a better salary on a Liberal paper, and he does as conscientious work there as he always did on the other. This holds good from the reporters up to the chief editor, and I know it makes absolutely no difference in the scrupulous discharge of their duties. I know a man who worked for the Gazette for some months and next year for a Liberal paper. The Gazette is pretty Liberal just now.

There is a tendency at the present time on the part of some persons to step in where they have no business to be at all. It makes no difference who owns a newspaper; it is what it prints that counts. If a reader likes the editorials he continues to be a subscriber; if not, he transfers his support to another paper, whose views are more in harmony with his own.

Right Hon. GEORGE P. GRAHAM: Honourable members, notwithstanding the vigorous remarks of my honourable friend from Parkdale (Hon. Mr. Murdock), I still think my business is a respectable one.

Hon. Mr. MURDOCK: Hear, hear.

Right Hon. Mr. GRAHAM: I imagine the speech will not change the view of any honourable member who thinks as I do. This question of regulation of newspapers had its origin in the city of Toronto. The one instance there of double ownership, which it was intended to investigate and expose, has been given to the House by my honourable friend from Parkdale. It was for a long time one of the hobbies of the father of this Bill, but it is no longer a matter of public importance.

To my mind the important question is, is this Bill going to do anybody any good? If it is, a member's personal relationship with the press should not at all affect his liberty of action. I might say that it does not affect me one iota. I feel myself to be just as free in discussing this Bill as my honourable friend undoubtedly feels in addressing the Committee on Banking and Commerce on behalf of the railwaymen. He does not think he is violating the Independence of Parliament Act at all by being a railwayman.

The newspaper business in Canada is, to my mind, having a very hard struggle. As a newspaper man, I believe the standard of journalism in this country is not excelled in the known world. Although it has only a small population to appeal to, and although at times there may be great temptations to relieve the financial stress, yet, knowing Canadian newspaperdom, I am confident that it stands on a very high pedestal for honesty and integrity, and is determined to uphold the public weal. Some persons entertain the idea that the owner runs his paper. Why, bless their souls! The editor has more power than four owners. No newspaper owner in these days uses the iron fist on his editorial staff. He engages men in whom he has confidence, and at least seventy-five per cent of the policy of the paper is dominated by the editorial staff, not by the owner at all.

My honourable friend from Parkdale rather sought to convey the impression that printing shops and newspaper establishments do not come within the provisions of the proposed social legislation now before Parliament. Every printer comes under that legislation; so does every owner of a newspaper, whether a company or an individual. But this Bill is intended to apply to newspaper owners over and above the social legislation by which they are to be affected. The only reason given is that under existing conditions the public cannot find out who own our newspapers.

Hon. Mr. CASGRAIN: It is none of their business.

Right Hon. Mr. GRAHAM: It is even suggested that in some instances the public should know who is the writer of an editorial. That, in my opinion, is not the best view to take on behalf of the public. Suppose I have in mind a man who, I believe, could write a splendid article on some subject that I desire to discuss in my paper. He may be a university professor or a clergyman. He does not want his name handed out to the public—unless he is vain, as some writers are. Undoubtedly the public through impersonal journalism get benefits that they could not get through any other channel.

Now, is there any difficulty in finding out who is the owner of a newspaper?

Hon. Mr. CASGRAIN: Not in a libel suit.

Right Hon. Mr. GRAHAM: It is not very difficult to find out then, nor on any other occasion. In this connection there is perhaps one publication, or there are at most two publications, in view. In Ontario, if a printing or a publishing company is incorporated, it is compelled to make periodical returns to the Provincial Secretary. These are not secret returns, and the details can be easily secured for the benefit of the public.

Hon. Mr. CASGRAIN: So the owners can be sued.

Hon. Mr. CALDER: May I ask a question that I think goes to the root of this Bill? As a matter of fact, in every province are not newspaper owners obliged under the Companies Act to file with the registrar much of the information required by this Bill —information both as to staff and ownership?

Right Hon. Mr. GRAHAM: I think so.

Hon. Mr. CALDER: Then I cannot see the purpose of this Bill at all.

Right Hon. Mr. GRAHAM: I am glad you do not. What I have said of Ontario applies, I think, to all the other provinces. The information is filed annually with the Provincial Secretary. It is idle to suppose that you cannot ascertain who is the owner of a newspaper just as readily as if he were the owner of any other property. There is no dishonesty on the part of newspaper owners in filing those returns.

It was charged at one time that newspapers did not give their true circulation to the advertising public. I am surprised that my honourable friend did not refer to it. A newspaper would claim a larger circulation than its rival when perhaps its circulation lists would not confirm the claim. To-day

we have what is called the A B C audit, and it is made under oath. Newspaper owners have to keep a day-by-day account of the number of papers issued and paid for. No credit is given for free circulation. An inspector attends regularly, checks the circulation books and accounts and certifies there is a paid circulation of so many copies. It is on that circulation the newspapers base their advertising rates.

So far as I can see, there is no detail of newspaper information of interest to the public which is not already accessible. The name of the company is printed at the head of my paper. That company is responsible for the contents and can be sued. Many papers give the names of their leading officials. If I believed this Bill could be of any use to the public, or would be a bit of annoyance—as it was intended to be in its original form—to certain persons who do not care to disclose themselves for fear they might be served with a writ, I should not mind supporting it. The Bill would not affect me in my business in the least; so I can talk freely as one who is not interested personally. But, this being a measure to apply to a special case and not generally, I think it is not good legislation, and therefore not in the public interest.

Hon. JAMES A. CALDER: Honourable members, I was somewhat in doubt as to the facts at first, but it strikes me the whole situation has been made quite clear, and that, except as to two points, what is sought to be effected is covered by the existing law.

As to the public being able to ascertain the ownership of any newspaper, any person can get the information. In my own province of Saskatchewan, for example, under the company law every newspaper is required to file with the Provincial Secretary full detatils as to ownership, and who would be responsible in case of an action for libel. In addition, certain financial statements are required.

Hon. Mr. BUCHANAN: The newspaper owners have to file a financial statement and also a list of shareholders, with their holdings.

Hon. Mr. CALDER: Yes. If the ownership is in an incorporated company annual returns have to be filed containing all necessary information.

What are the two points not covered by the existing law? One section of the Bill requires every newspaper to disclose the names of its bondholders, mortgagees or other security holders. Why should a newspaper owner be placed on a different basis in that respect from every other business concern in the country? Suppose a man is running a joint stock grocery store in this city, and he borrows money. Must he disclose all the details of his borrowing in order to run his business? I should say not.

Right Hon. Mr. GRAHAM: The public can go to the registry office.

Hon. Mr. CALDER: Yes, if the public are interested in ascertaining his position they can get the information, because the general law provides for it. I submit that in so far as that feature of the Bill is concerned it is objectionable, and that the newspapers should not be called upon to furnish information that general business concerns are not called upon to furnish.

The other point is that raised by the honourable member from Lethbridge (Hon. Mr. Buchanan) and the honourable member from Toronto (Hon. Mr. Hocken) with respect to objectionable newspapers. My right honourable leader (Right Hon. Mr. Meighen) thought the situation should be dealt with in some way. Such newspapers do not circulate through the post office. We might deal with them by an amendment to the Criminal Code, but I think there would be objection on the ground that the matter, being merely one concerning civil rights, is within the jurisdiction of the provinces. I think honourable members will agree that those newspapers could be suppressed by the Provincial Secretary taking the requisite steps.

After analysing the situation I fail to see any necessity for the Bill. As to the first phase, as I have said, objectionable newspapers should be dealt with by the province, or by amendment to the Criminal Code, not the Post Office Act. As to requiring newspapers to give information respecting their financial standing, such information is not required from any other business concerns. It is class legislation.

I am not quite sure that I agree with those honourable members who have spoken about everyone knowing who own our newspapers. At the outset of the discussion my honourable friend directly opposite (Hon. Mr. Casgrain) stated he had for eight years been a director of the Montreal Herald, and did not know yet who owned the paper.

Hon. Mr. CASGRAIN: That is right.

Hon. Mr. CALDER: So the statement of my honourable friend from Toronto (Hon. Mr. Hocken) is not borne out by the honourable member from De Lanaudière. Doubtless

persons can get the information if they put themselves to the trouble; but nobody wants to know.

Hon. Mr. MURDOCK: I will make a little wager with my honourable friend for the benefit of the Cancer Fund or any other fund. You cannot find out the ownership.

Hon. Mr. CASGRAIN: We are against betting.

Hon. Mr. MURDOCK: All right. You cannot find out, for instance, the ownership of the Toronto Telegram, the Mail and Empire and half a dozen other papers that I can mention. Let us not fool ourselves by saying we can get this information. We can not.

Hon. Mr. CALDER: I am not going to make any wager across the floor; in fact I do not like the suggestion at all. I have made a statement, and I think it is correct. I am speaking of my own province, and take as an example the Regina Leader. It is required by law to send to the Provincial Secretary a full statement of its ownership, including the names and holdings of its shareholders. Does the honourable gentleman suggest to me that if that information is not forthcoming the local Government does not take steps to secure it?

Hon. Mr. MURDOCK: Not at all; but I do suggest, if that is good for Saskatchewan why is it not good for Ontario?

Hon. Mr. CALDER: But we have the same thing in Ontario.

Hon. Mr. MURDOCK: You say we have.

Hon. Mr. CALDER: The right honourable gentleman from Eganville (Right Hon. Mr. Graham) had already stated that you had the same thing in Ontario, and I went further and said I did not doubt that it was the law of every province in Canada. I have no doubt that every province in Canada requires a statement of the ownership of newspapers. It is years since that law was adopted. I understand the same thing is true of the United States. I have a very distinct recollection of taking up magazines recently and seeing on the page that is devoted to the business of the paper a statement showing the names of the business manager and the editor, and everything of that nature, and a reference to the law which required the publication of that information. So, as far as I can see, there is no necessity for this Bill at all.

The Hon. the SPEAKER: Is it your pleasure, honourable members, to adopt the motion?

Right Hon. Mr. MEIGHEN: I am prepared to vote for the second reading of the Bill and to support its reference to the committee; not that I favour what seems to be the real principle of the Bill, but because there is a feature of it that seems to me to be worthy of consideration and deserving of reference to the committee.

Hon. Mr. MURDOCK: Personally I am not concerned with whether the Bill passes or not, but I think it would be a great mistake not to permit it to go to committee. Some honourable gentlemen have said that certain things are so which I think are not so at all. The question can be developed in committee and settled.

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

REFERRED TO COMMITTEE ON BANKING AND COMMERCE

The Hon. the SPEAKER: It is moved that the Bill be referred to the Standing Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: Would the honourable gentleman (Hon. Mr. Murdock) be satisfied to have the Bill referred to the Committee on Miscellaneous Private Bills? Or how would it be to let it go to the Railway Committee, presided over by the right honourable gentleman from Eganville (Right Hon. Mr. Graham)?

Right Hon. Mr. GRAHAM: I deal only with transportation.

Hon. Mr. MURDOCK: In the light of the fact that the Banking and Commerce Committee has been dealing with all this social legislation, and that it was stated that this is class legislation—which I think it is not—would it not be advisable to send it to the Committee on Banking and Commerce? It would not take long to deal with it.

Hon. Mr. BLACK: The Banking and Commerce Committee has a great deal of work ahead of it.

An Hon. SENATOR: The Divorce Committee.

Hon. Mr. BLACK: That is an excellent committee.

Right Hon. Mr. MEIGHEN: It is a private bill.

Right Hon. Mr. GRAHAM: It is a public bill.

Right Hon. Mr. MEIGHEN: If the honourable member wishes it to go to the Committee on Banking and Commerce, I will not object.

Hon. Mr. MURDOCK: I realize how busy that committee is, but I really think it should pass on the Bill.

The Bill was referred to the Committee on Banking and Commerce.

DIVORCE BILLS

SECOND READINGS—DISCUSSION

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, moved the second readings of the following bills:

Bill F2, an Act for the relief of Muriel Mabel Muttart.

Bill G2, an Act for the relief of Emile Fossion.

Bill H2, an Act for the relief of Eva Bennett.

Bill I2 an Act for the relief of Helen Gertrude Bryant Wilson.

Bill J2, an Act for the relief of Gladys Sarah Jenkinson Weeks.

Bill K2, an Act for the relief of Mary Elizabeth Taylor Nicholson.

Hon. J. J. HUGHES: Honourable members, I wish to call your attention to what appears to be a very anomalous state of affairs under the bills now before the House. I will take one, which is a specimen of all the others. Each bill consists of two clauses, the second of which authorizes the innocent party to marry again. Is that clause necessary? The Bill gives one person the right to marry, but it does not give the guilty person the right to do so. I understand that hundreds, perhaps thousands, of these guilty persons in Canada have gone through a form of marriage. If this clause of the Bill is necessary to give the innocent party the right to marry, surely a similar clause is necessary to give the guilty party the same right.

Hon. Mr. BALLANTYNE: But they can both marry.

Hon. Mr. HUGHES: This Bill does not give them both that right, and to that extent is defective as I see it. That is the point I wish to raise, and to call to the attention of the right honourable leader of the House.

Further, I wish to call his attention to the fact that a few weeks ago, when we were discussing this very question of marriage and divorce, he said that once a divorce was granted both parties were single again and could marry whom they wished. If that is good law and a sound statement, this clause is not necessary at all. I think that if these bills are loosely or foolishly drawn we should not proceed any further until we get this matter cleared up. It is worthy of consideration.

Hon. Mr. McMEANS: All I have to say about the remarks of the honourable gentleman is that this form of divorce bill has been in existence ever since there was parliamentary divorce. Where it is taken from I do not know. I suppose it came to us from the British Parliament. It is the usual form of bill. It has always been the same, and I suppose the idea is that a person filing a petition setting out certain facts, and having his petition granted, can remarry.

Hon. Mr. HUGHES: Then why this clause?

Hon. Mr. McMEANS: It follows the precedent in force from time immemorial. If the honourable gentleman wants to remodel these bills he will have to do it on his own account, because, as I say, this has been the form from time immemorial.

The Hon. the SPEAKER: Is it your pleasure, honourable gentlemen, to adopt the motion?

Hon. Mr. HUGHES: I should like, if I may, to have the opinion of the right honourable the leader of the House, because really and truly this provision seems to me to be entirely unnecessary.

Right Hon. Mr. MEIGHEN: I have not changed from the view I expressed before. If the legislation stopped at the divorce, undoubtedly the guilty party would be free to marry again. That is to say, exactly the same result would then flow from the legislation as flows from it in its present form. Consequently there is no need of the section to which my honourable friend objects. One can understand, though, how it came to be there, and why the right of the party securing the divorce took the form of a specific right. Doubtless the reason was that as one party petitioned Parliament and the other did not, the legislation dealt only with the rights of the petitioner. No doubt the petitioner preferred that the legislation should be specific as to him or her, and that provision was asked for down through the years, and was granted. There is no particular objection to the legislation in its present form, but clearly it would be just as effective if that clause were not included.

Hon. Mr. HUGHES: It is useless.

Right Hon. Mr. MEIGHEN: It is useless.

Hon. Mr. COPP: I am informed that at one time this clause was cut out, and that the House of Commons put it back.

The motion was agreed to, on division, and the bills were read the second time.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: It will be necessary for the Banking and Commerce Committee to meet immediately.

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

THE SENATE

Wednesday, June 5, 1935.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill C2, an Act respecting the Wapiti Insurance Company.—Hon. Mr. Horsey.

MINIMUM WAGES BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK, Chairman of the Committee on Banking and Commerce, presented the report of the committee on Bill 40, an Act to provide for Minimum Wages pursuant to the Convention concerning minimum wages adopted by the International Labour Organization in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding parts of the other treaties of peace.

He said: I may say that those who refer to this Bill will not recognize it at all, as the committee had to rewrite it.

Hon. Mr. DANDURAND: The honourable the Chairman of the Committee says that the Bill has been so transformed as to be unrecognizable. I wonder if the father of the child will appreciate the change.

Right Hon. Mr. MEIGHEN: It has been a beneficent regeneration.

HON. SENATOR SIR THOMAS CHAPAIS

CONGRATULATIONS UPON HIS ELEVATION TO KNIGHTHOOD

Before the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Honourable members, I wish to take advantage of this opportunity to call attention to an honour done a very distinguished member of this House. The honourable senator from Grandville (Hon. Sir Thomas Chapais) has been included in the list of persons upon whom distinctions have been conferred on the occasion of His Majesty's birthday, and we find his name among those of that very small circle who have been elevated to the rank of knighthood. I am certain to be reflecting the feeling as well as the sound judgment of all honourable members of this House when I say that no one upon whom this distinction has been conferred in our time has been more worthy of it than is the honourable senator from Grandville.

Some Hon. SENATORS: Hear hear.

Right Hon. Mr. MEIGHEN: His services to Canada have been varied and eminent, but I fancy that which was chiefly in mind in the decision to honour him was his service to the cause of learning and of literature, particularly of historical literature, in this Dominion. None is more generally recognized in this country as an authority on the subject of Canadian literature than is he: I believe he stands at the head of the historians of Canada.

I can well imagine that possibly he accepted with reluctance the distinction accorded him, but I am very certain that such reluctance would come only from his well-known modesty, for he would naturally shrink from publicity and from this very conspicuous designation. But certainly none more than he respects, honours and reveres the Throne from which this distinction comes. I congratulate him warmly and hope that he may long live to enjoy the rank and title which for the rest of his life are his.

Hon. RAOUL DANDURAND: Honourable members of the Senate, I rise with pleasure to support the views expressed by my right honourable friend. Although I happen to belong to a school which seems to have consistently adhered to the resolution moved in the House of Commons in 1919 by Mr. Nickle, of Kingston, asking His Majesty to dispense with the granting of titles to his Canadian subjects, I must confess that my opposition to titles as expressed some forty years ago has been somewhat tempered by the subsequent history of this country. At the beginning of my career and in the years that followed I felt that titles granted to Canadians on the recommendation of the Imperial Cabinet could not be easily approved of, inasmuch as there was danger that persons thus honoured might become subject to a divided rather than an exclusively national interest when dealing with political questions. During recent years, and more especially since the Statute of Westminster.

all such recommendations concerning Canadians are made to His Majesty by his Prime Minister in Canada, and those receiving titles of honour are not thereby influenced in the discussion of political or other questions. For the first time in this Parliament I am expressing the reason why, in 1897, I reproached Sir Wilfrid Laurier for having accepted a knighthood. But in view of the fact that the authority exercised in recognizing the merits of a Canadian is now a Canadian authority, the main objection on this score, which I entertained from the beginning of my career, has been to a degree moderated.

I may say that the honour which has come to my colleague and friend from Grandville (Hon. Sir Thomas Chapais) is especially well deserved. The honourable senator has by tradition been interested most intimately in Canadian history. His worthy father and himself, both as parliamentarians and Ministers of the Crown, have helped to frame and to interpret the Constitution of Canada. He has thus had the advantage over historians who are but theorists observing from afar the action of governments. Engaged in the practice of legislation, he has brought to the examination of historical events a knowledge possessed only by those who have been statesmen as well as historians. As an historian he has done well by Canada, and I can but repeat what my right honourable friend has said, that few Canadians writing Canadian history have established such a reputation as has my honourable and distinguished friend from Grandville.

Hon. J. P. B. CASGRAIN: Honourable members, may I be permitted to add one word? I am very proud to say that for nearly sixty years the new knight and I have been friends—I might say close friends. Our forbears resided in the same locality in the good old province of Quebec, and when young we were members of a literary circle. Some were poets, others recited poetry, and we all discussed literary works. Sometimes we dined and afterwards we wined, but when we were having a very good time my friend used to say: "Bon soir, messieurs; I hope you will have a nice evening": and he would go back to his books. Perhaps if we had done likewise we might have been similarly honoured.

He occupies a unique position in Canada. He is the only living Canadian to-day who has the honour and privilege of sitting in two legislative assemblies. He is also a distinguished member of the Legislative Council of the province of Quebec. I may add he is the only man who could hold that dual position without any criticism from friend or foe, politically speaking. When he was called to the Senate no one thought of asking him to leave the Legislative Council. On the contrary, everybody was very happy to have him there.

His Gracious Majesty must have been very well advised, for in our part of the country we consider him a national glory; we are proud of him. I join with both leaders in praying Divine Providence that he may yet be spared many years to enjoy the honour he so well deserves.

Hon. D. O. L'ESPERANCE (Translation): Honourable senators, it is my pleasant duty, as dean of the Quebec district, to add a few words to the congratulations my illustrious leader has so felicitously expressed on the occasion of the high distinction granted by our gracious Sovereign to our distinguished colleague from Grandville (Hon. Sir Thomas Chapais).

I have just come from Gaspesia, the picturesque division I have the honour to represent here. It is therefore without preparation that I rise to add a few words to the eloquent tribute paid by those who have spoken before me. I need make no rhetorical effort in reminding my old friend, the honourable senator from Grandville, of my affection and esteem, and in telling him how happy I feel over the high honour he has just received. I should, however, require the eloquence of my right honourable leader himself (Right Hon. Mr. Meighen) to express properly to this House the feelings of the Quebeckers towards our national historian. Although I recognize I am but a poor interpreter of their sentiments of esteem and veneration, I considered it my duty to tell all my colleagues in this House that, of all the decorations granted by His Majesty, no other was received with the enthusiasm and joy which greeted the announcement of the recognition granted our honourable friend from Grandville.

Hon. Sir THOMAS CHAPAIS: Honourable members of the Senate, I tender my heartfelt thanks to the honourable leaders of this Chamber for their kind words, and to my other colleagues for their friendly contribution to the congratulations which the leaders have extended to me in their usual felicitous style. I could not expect that His Majesty should bestow this honour upon my humble person. I know perfectly well that it is intended not as a personal honour, but rather as a compliment to my province and to the French Canadian race.

Honourable members, I am deeply moved by the warmth of your congratulations, and again I pray you to accept my most grateful acknowledgment.

(Translation) May I be allowed to add a few words in my maternal tongue to thank the right honourable leader of this House (Right Hon. Mr. Meighen) from my heart for his kind words, the honourable leader opposite (Hon. Mr. Dandurand) and the friend of my youth (Hon. Mr. Casgrain) who recalled fond memories, and also my colleague the honourable member from the Gulf (Hon. Mr. L'Espérance). Allow me to say that I heartily thank them all for their expressions of friendship, as I thank all my honourable colleagues in this House who were kind enough to express satisfaction over my being granted this distinction, of which I am so unworthy.

Honourable members of the Senate, I can say no more. No doubt, you understand the emotion which fills my heart at this moment. Most gratefully I thank the right honourable leader of this House, the honourable leader opposite and all my honourable colleagues. I thank you all, and from my heart, for your tribute of sympathy, of which I shall ever cherish the remembrance.

ADMIRALTY BILL

THIRD READING

Bill E2, an Act to amend the Admiralty Act, 1934.—Right Hon. Mr. Meighen.

DIVORCE BILLS

THIRD READINGS

Bill F2, an Act for the relief of Muriel Mabel Muttart.—Hon. Mr. McMeans.

Bill G2, an Act for the relief of Emile Fossion.—Hon. Mr. McMeans.

Bill H2, an Act for the relief of Eva Bennett.—Hon. Mr. McMeans.

Bill I2, an Act for the relief of Helen Gertrude Bryant Wilson.—Hon. Mr. McMeans.

Bill J2, an Act for the relief of Gladys Sarah Jenkinson Weeks.—Hon. Mr. McMeans.

Bill K2, an Act for the relief of Mary Elizabeth Taylor Nicholson.—Hon. Mr. McMeans.

SUPPLEMENTARY PUBLIC WORKS CONSTRUCTION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 63, an Act to create employment by public works and undertakings throughout Canada and to authorize the guarantee of certain railway equipment securities.

He said: The nature of the Bill is clearly indicated in the title. The schedule sets out the specific appropriations and the amount of each, and designates the individual structures contemplated.

Right Hon. Mr. GRAHAM: These would not also be considered in the estimates?

Right Hon. Mr. MEIGHEN: I presume they would be as well, but of that I am not certain. I know corresponding cases have been so considered in other years, but I cannot see why there should be necessity for two measures in order to make the same appropriations.

Right Hon. Mr. GRAHAM: Nor can I.

Right Hon. Mr. MEIGHEN: Anyway, we should treat these appropriations on the assumption that they are not in the estimates and this will be the only consideration we can give them.

I do not know that I need say more. Honourable members have the full ambit of the Bill before their eyes at a glance. I fancy it will be more appropriate to deal with the Bill in Committee of the Whole House rather than refer it to a standing committee.

I am at the disposal of the House as to whether we proceed further to-day, in light of the fact that the Committee on Banking and Commerce has considerable work before it for the rest of the afternoon. If there is to be a prolonged discussion, I should think it would be better to give this Bill second reading to-day and postpone consideration of it in Committee of the Whole until to-morrow. We could then proceed to the Industrial Disputes Investigation Bill and refer it to the appropriate committee. Thus there would be no unnecessary impediment to the general work of the Senate.

Hon. RAOUL DANDURAND: I have no objection to the second reading of the Bill. The observations I would make would be more especially directed to the interpretation of clauses, and could better be made in committee. I would draw the attention of my right honourable friend to clause 7, which declares:

> In the case of work of pressing emergency in which, in the opinion of the Governor in Council, delay would be injurious to the public interest, or in which from the nature of the work it could be more beneficially executed under the direct supervision and control of the officers and employees of the Department in charge of such work, the Governor in Council, on the recommendation of the Minister of such Department, accompanied by a certificate of the Chief or Assistant Chief Engineer or Architect in charge of such work for the said Department, or of the Chief Engineer or Chief Architect of the Department of Public Works, may direct that the work proceed forthwith without inviting tenders.

I do not exactly understand what the certificate would cover. I raise the question now in order that to-morrow, in committee, my right honourable friend may be better able

to answer than he is to-day. I was wondering if the certificate would cover the estimates on the work and would be such that one could ascertain the views of the chief engineer as to the cost of the work.

Right Hon. Mr. GRAHAM: You will not be here to-morrow.

Hon. Mr. DANDURAND: That is why I put the question. I may not have the advantage of being here to-morrow.

Clause 10 is an interesting one. It says:

> Notwithstanding anything contained in section two hundred and sixty-two of the Railway Act, as enacted by chapter forty-three of the statutes of 1928, and amended by chapter fifty-four of the statutes of 1929, the Governor in Council may in the case of any highway crossing of a railway determine the percentage of the cost which shall be payable out of the sum appropriated by this Act to aid actual construction work for the protection, safety and convenience of the public.

I wonder if this is not a variation of a general Act—

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: —which gives the percentage to be granted, through the Railway Board, by the Government.

This matter of railway crossings is of far greater importance to-day than it was when the law with respect to grade crossings was passed. Because of the increased use of motor cars to-day, there is much greater traffic, and I wonder whether the time will not come when we shall have to rewrite this legislation in order to protect life. The loss of life at railway crossings is appalling, and for this reason I welcome anything that will assist in protecting the public.

Hon. Mr. CASGRAIN: May I ask the right honourable gentleman if, when contracts are given without tenders, there is any limitation of amount? Generally a certain amount is fixed. If there is no such limitation in the Bill, I suppose we should put it in when the time comes.

Hon. Mr. HARMER: That is provided for.

Right Hon. Mr. MEIGHEN: If the honourable gentleman looks at the schedule he will see that the amount is stated in each case. I do not know just what would be the complete answer to some of the questions raised. As regards section 10, the explanation would appear to be this. It would be impossible to proceed under this measure if each individual crossing improvement—that is, the creation of a crossing either under or over a railway—had to go before the Railway Board for assessment of cost, because the work has to be done expeditiously. To-morrow I will answer the other question put by the honourable leader opposite (Hon. Mr. Dandurand), and also the point raised by the honourable senator who has just taken his seat (Hon. Mr. Casgrain).

One has to proceed either by tender or without tender. When to a considerable degree the purpose of this measure is to provide and distribute work, it is difficult to adhere rigidly to the tender system. If that were done certain concerns, usually the biggest in the country, would be the successful tenderers, and all the work would be going to the same men instead of being distributed among many. That is the difficulty, and we have to face it and take the next best route.

However, it seems to me sufficient to pass the second reading to-day and not go into committee until to-morrow. I promise to answer all the questions asked as best I can.

Right Hon. GEORGE P. GRAHAM: Honourable members, I do not want to become a pest by speaking in the House every day, but may I say that I am not orthodox on the question of tenders. For years I had charge of a department; in fact, the railway legislation referred to to-day was introduced by me in the other House. I fully believe —and I expressed these views at the time to the Government of which I was a member—that if I had been allowed to do as other railways did, and have my engineers sit down with the engineers of responsible contractors and come to a decision as to price on every work of importance, millions of dollars could have been saved to the Intercolonial Railway. The tender system has its drawbacks. A deposit, of course, has to be made, and sometimes when a Government is involved great efforts are put forth to have these deposits treated as a sort of myth. That was one of the nuisances. A contractor would imagine, or be almost convinced, that he was getting a contract, and he would go to the bank and endeavour to get a cheque marked on the strength of his prospects. I turned down the tenders in all such cases. I often took up the matter with my colleagues, but as my views were not orthodox I did not dare proceed according to them. Nevertheless, I fully believe that in many cases where government work is done by tender the cost of the work, when finished, is greater than it would have been if the engineers of the Government and of a first-class contractor had sat down together.

I do not think the tender system affords any more protection to the Government than it does to a private individual—and that is no protection at all. Although no Government would dare go so far as to award a contract on the basis of an arrangement made with a reliable contractor, I believe such a method would give the contractor a fair price and would enable him to pay fair wages without stinting the work. An arrangement with a reliable contractor is far better than a contract with an unreliable contractor.

The legislation respecting railway crossings was introduced and passed some years ago. When a municipality complained of a dangerous crossing the question was referred, if I remember correctly, to the Board of Railway Commissioners, and that Board assessed the cost among three parties—the Government, the railway company and the municipality. Some progress was made under that system. Municipalities, of course, were somewhat careful about applying for the removal of a level crossing if the cost was going to be very high. I agree that under the old system probably not much money would be spent on this type of work in times of depression, because, no matter how strong the pressure or how valuable the work might be, the municipalities are not in a position to pay. While the present proposal looks like a departure from the responsibilities under the statute, I am not sure that under present conditions the change is not perfectly defensible.

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

INDUSTRIAL DISPUTES INVESTIGATION BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 71, an Act to amend the Industrial Disputes Investigation Act.

He said: Honourable senators, this Bill is one of the first products of the Price Spreads Committee to reach this House. That committee made rather sweeping recommendations with respect to the Industrial Disputes Investigation Act, the manifest design of the committee being that there should be a wider range of governmental control of industrial disputes. The reference of those recommendations to Council, however, and to the Justice Department, resulted in a unanimous verdict that they could not be implemented within our constitutional power.

Hon. Mr. DANDURAND: Because of the judgment of the Privy Council on that very Act.

Right Hon. Mr. MEIGHEN: That opinion, no doubt, is based in large degree upon the judgment of the Privy Council declaring that in many respects the Industrial Disputes Investigation Act is invalid.

Right Hon. Mr. GRAHAM: The right honourable gentleman has been referring to the Price Spreads Committee. He will know the reason why he ought to adhere to the word "Commission," if he has read the daily papers.

Right Hon. Mr. MEIGHEN: No, I have not.

Right Hon. Mr. GRAHAM: A committee is required to report to the House, but a commission does not have to do that.

Right Hon. Mr. MEIGHEN: Oh, yes. It was a committee—

Right Hon. Mr. GRAHAM: In the beginning.

Right Hon. Mr. MEIGHEN: —but at about middle life it was transformed into a commission. The report is from the Commission.

This Bill is designed to go in the direction of amending the Industrial Disputes Investigation Act, as far as can be justified by the constitutional authorities. It does not go very far. That is to say, it does not sweep over a wide area, but covers merely such industrial undertakings in Canada as are subject to the jurisdiction of the Dominion Parliament. The opinions given us, which I do not doubt are correct, are that in respect of the particular phase of the Act which is covered by this Bill we cannot go beyond those industries, such as the railways, which are subject to our jurisdiction. The measure provides that a commissioner or commissioners may be appointed under the provisions of the Inquiries Act, not only at the request of those affected, but without any request at all. It provides also that complaint may be made to the Minister with respect to acts of discrimination alleged to have been perpetrated by either side, and the Commission may be authorized to examine into the complaint and report upon it.

There is in this measure nothing which will revolutionize anything. Maybe it is a further interference with the subject, and perhaps there should be amendments protecting the subject. However, after second reading is given, a motion will be made to refer the Bill to the Committee on Banking and Commerce, where we shall be able to hear the views of all honourable members and of persons from outside who may desire to make representations.

Hon. RAOUL DANDURAND: Honourable members, I have been unable to make a minute comparison of the single clause of this Bill with the Industrial Disputes Investigation Act, so as to find out exactly what point is covered by the amendment. I wonder if the whole amendment is not to be found in the first three lines of the clause:

Where in any industry subject to the legislative jurisdiction of the Parliament of Canada (whether or not it be an industry to which other provisions of this Act apply)—

These words seem to extend the scope of the Act, and I am unable to find anywhere else in the Bill a material modification of the present law. Of course there is an extension in these words, which follow immediately after the lines I have already read:

—any strike or lockout has occurred, or seems to the Minister to be imminent, or complaint has been made to the Minister that intimidation has been practised or other discriminatory action taken either by employers or employees.

This is a change from the section that is sought to be repealed, which is printed in the explanatory note.

I cannot exactly see what ground is intended to be covered by this measure, unless the purpose is to create a new criminal offence. Would this override the right of labour to do aggressive picketing, which is very often done by employees and complained of by the employer? I cannot say, but it looks as if it would. Perhaps my right honourable friend can tell us exactly the real importance of the proposed amendment.

Right Hon. Mr. MEIGHEN: As I understand it, the Act was declared invalid in that it purported to cover all undertakings, whether they were within the federal pale or not; that is, whether or not they were of the character of railways, with respect to which the federal jurisdiction is plenary. In order that there may be no question as to the constitutional status of the measure, the new clause reads:

Where in any industry subject to the legislative jurisdiction of the Parliament of Canada,

and so on. When the industry is subject to that jurisdiction, then under the finding as to constitutionality we can legislate with respect to disputes occurring in it.

The next purpose of the Bill, as I understand it, is to permit the Minister to act on complaint being made to him that intimidation has been practised or other discriminatory action taken either by employers or employees. Heretofore the Minister has not had authority to act merely on a complaint of that character from an individual, or from one side or the other. It has been suggested to me that the effect of the language in this respect is to authorize investigation of a complaint based only upon such picketing as is allowed by law, by virtue of recent legislation. If there is an implication to the effect that that kind of picketing is illegal and may be inquired into as such, then perhaps an amendment would be necessary in order to remove the implication. However, honourable members will see that the second purpose of the legislation is to enable the Minister to act upon complaints of the character I have indicated.

Another object is to enable the Minister to act on his own initiative, without application at all, if he conceives it in the public interest so to do. He may recommend the appointment of a commissioner or commissioners under the Inquiries Act to investigate disputes and make findings thereupon.

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

LIMITATION OF HOURS OF WORK BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 21, an Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

JUVENILE DELINQUENTS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill L2, an Act to amend the Juvenile Delinquents Act.

He said: Honourable members, I suggest that this Bill be given second reading to-day and be taken up in Committee of the Whole to-morrow.

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

CRIMINAL CODE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill M2, an Act to amend the Criminal Code.

He said: Honourable members, this Bill deals with a subject which has been before the House on more than one occasion since I have been here. I think it was during last session, or at all events a very recent session, that we passed an amendment to the Act. That amendment has not been enforced in the province of Ontario, at least, because of question in the Attorney-General's Department as to its effect. The Department claims the present Act is subject to two interpretations. The purpose of this amendment is to remove the question and to enact that the law shall not apply, that the right to custody of the child shall not be forfeited, where the child is the natural offspring of two persons who are living as man and wife. I suggest that the Bill be read a second time to-day and that we go into Committee of the Whole on it to-morrow.

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

APPROPRIATION BILL NO. 4

FIRST READING

A message was received from the House of Commons with Bill 84, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: This is the usual one-twelfth appropriation, and, as far as I can observe, is of the very same character as the last Appropriation Bill we passed. I personally am not aware of its being urgently necessary that we dispose of the measure to-day, but as it is merely for the customary one-twelfth I see no reason why we should not do so, or why we should take any chance of interfering with public business.

Hon. Mr. DANDURAND: The right honourable gentleman is not holding out to this Chamber any hope that we shall prorogue before the 15th of June?

Right Hon. Mr. MEIGHEN: No.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PATENT BILL

MESSAGE FROM HOUSE OF COMMONS

The Hon. the SPEAKER informed the Senate that a message had been received from the House of Commons returning Bill A, an Act to amend and consolidate the Acts relating to Patents of Invention, with some amendments.

Right Hon. Mr. MEIGHEN: My information is that there has been no real change made in the substance of the Bill. There are certain verbal amendments, to which, if I am correctly advised as to their nature, there should be no objection. However, it would be well to postpone consideration of the amendments until to-morrow.

Hon. Mr. DANDURAND: The Patent Bill was first brought down in the House of Commons, where it was withdrawn in order to permit the introduction of the measure in the Senate. Bill A was afterwards introduced in this Chamber, but as a matter of fact it was a House of Commons Bill. It was referred to our Standing Committee on Banking and Commerce, which devoted to it, for weeks, very close consideration and hard work, and made numerous amendments. These were presented to the Senate and adopted, and then we gave third reading to the measure and sent it over to the other House. I have not heard of a single reference by any member of the Commons to the work which we did on this Bill. It seems to me that sometimes that House should give a little credit to the Senate for good service performed, but I have scarcely ever known any honourable member of the other place to mention this Chamber except by way of criticism.

Right Hon. Mr. GRAHAM: They do not stick to the Rules.

Right Hon. Mr. MEIGHEN: I am advised that there was an exception to the very bad rule in this instance, and that a member of the other House from the province of the honourable member opposite was good enough to acknowledge the thorough work of the Senate in respect of this Bill.

Hon. Mr. BALLANTYNE: A member of the other House and also an ex-Minister.

Right Hon. Mr. MEIGHEN moved that the Commons amendments be taken into consideration to-morrow.

The motion was agreed to.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I think honourable members understand that the Banking and Commerce Committee meets immediately after the House adjourns.

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

THE SENATE

Thursday, June 6, 1935.

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

Prayers and routine proceedings.

PRIVATE BILLS

REPORT OF COMMITTEE

Hon. Mr. TANNER presented the report of the Standing Committee on Miscellaneous Private Bills on Bill D2, an Act respecting the Portage la Prairie Mutual Insurance Company, and moved concurrence therein.

He said: The Bill is reported with an amendment which does not in any way affect the purpose of the Bill. It is precisely the same as a bill adopted by the House last session in respect to another insurance company, and is approved of by the Insurance Department of the Government.

Right Hon. Mr. MEIGHEN: I do not quite understand the significance of the amendment. It strikes the name of Arthur Sullivan, K.C., of Winnipeg, out of some list.

Hon. Mr. TANNER: That was done at the request of the representative of the company.

The motion was agreed to.

THIRD READING

Hon. Mr. McMEANS moved the third reading of Bill D2.

Right Hon. Mr. GRAHAM: I do not wish to retard passage of the Bill, but would call attention to the fact that we have perhaps made an error in sending one insurance bill to the Banking and Commerce Committee and another to the Private Bills Committee. Should they not all be referred to the same committee?

Right Hon. Mr. MEIGHEN: Yes, I think there has been an error. It seems to me that all private insurance bills should go to the Private Bills Committee. Amendments to general insurance Acts are different. The Wapiti Bill should have gone to the Private Bills Committee.

REPORT OF COMMITTEE

Hon. Mr. TANNER presented the report of the Standing Committee on Miscellaneous Private Bills on Bill B2, an Act respecting a patent of Lillian Towy, and moved concurrence therein.

He said: This Bill relates to an invention in respect of which a person resident in the United States obtained, in December, 1931, a patent in that country, but never applied for a patent in Canada. The time has long expired when such an application could be made. The purpose of the Bill is to permit the inventor to make an application. The committee is reporting unfavourably in respect to the Bill.

The motion was agreed to.

FIRST READING

Hon. Mr. CALDER introduced Bill N2, an Act to incorporate the Northern Telephone Company.

The Bill was read the first time.

SECOND READING

The Hon. the SPEAKER: When shall Bill N2 be read a second time?

Hon. Mr. CASGRAIN: Would it not be better to suspend the rules, so that the Bill might have a chance to get through in another place?

Hon. Mr. GORDON: There is opposition to the Bill. The parties want to appear before the Railway Committee.

Right Hon. Mr. GRAHAM: Generally I am a stickler for observance of the rules, but this Bill must be given second reading before it can be referred to the Railway Committee.

Hon. Mr. CALDER: As I understand the situation, the Committee on Standing Orders considered the petition and found all the rules had been complied with, except as to notice to the Quebec Government. The report of the committee recommends that notwithstanding this lapse the Bill be proceeded with. If the House does not object, I will move the second reading.

Hon. Mr. CASGRAIN: But the rules have to be suspended for that purpose.

Right Hon. Mr. GRAHAM: Unanimous consent will automatically suspend the rules.

Hon. Mr. CALDER: Then, with the consent of the House, I move the second reading of the Bill.

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

THE RAILWAY PROBLEM IN CANADA

DISCUSSION—MOTION WITHDRAWN

On the notice of motion by Hon. Mr. Casgrain:

That he will call the attention of the Senate to the railway problem in Canada and will move that an Order of the Senate do issue for a return giving the gross railway receipts in each of the nine provinces, separately, the number of miles of railways in each province, also the railway expenditure for operation in each province.

He said: Honourable members, I was not surprised to get from the right honourable and distinguished gentleman who leads this House his very unsatisfactory answer to the effect that the Canadian National Railways management, because of the way they keep their books, do not know by provinces where they have lost or made any money. I have asked the same question many times, and have always received the same answer. Of course, that is public ownership. If the Canadian Pacific Railway were asked for similar information they could tell you to a dollar where they were losing or making money.

Right Hon. Mr. MEIGHEN: Not by provinces.

Hon. Mr. CASGRAIN: More than that, by every branch line.

Right Hon. Mr. MEIGHEN: Not by provinces.

Hon. Mr. CASGRAIN: All they would have to do would be to get the mileages in the provinces.

Right Hon. Mr. MEIGHEN: Provinces are not branch lines.

Hon. Mr. CASGRAIN: It is a contentious matter, and I will not argue about it; but I think that to say they do not know is a very poor answer. At one time Sir Edward Beatty said that the gross receipts per mile on the lines in the Northwest amounted to $8,000, and on the lines in the East to $11,000. He must have found that out. How he found it out I do not know.

Right Hon. Mr. MEIGHEN: That is different.

Hon. Mr. CASGRAIN: Well, it must be more difficult to make the calculation for several provinces than for one.

In view of the unsatisfactory answers that I have received, I have come to the conclusion that I should ask this House to allow me to withdraw the motion.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: I have looked very carefully into this situation and really do not think it would be in the public interest to proceed. I have a few words to say, however. Of course the railways, if they do not know where they make money or where they lose it, cannot contradict me; so I may tell this House right now that the railways do more than two dollars' worth of business in Ontario for every dollar's worth they do in Quebec.

Hon. Mr. CALDER: How do you know?

Hon. Mr. CASGRAIN: Aha! That is my secret.

Hon. Mr. CALDER: Where do you get your facts?

Hon. Mr. CASGRAIN: Go through this and find out.

Hon. Mr. CALDER: What is it?

Hon. Mr. CASGRAIN: I will pass it over to the honourable gentleman.

Right Hon. Mr. GRAHAM: He will need a key to it.

Hon. Mr. CASGRAIN: If he can make anything out of it he is clever.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CALDER: "Shawinigan Power Company"—

Hon. Mr. CASGRAIN: Well, go on! Go on!

Now I will tell the House something else. Three or four times as much railway business is done in Ontario and Quebec as is done in all the rest of the Dominion. Of course the railways cannot contradict me: they do not know, but I do.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. GILLIS: What about the Hudson Bay?

Hon. Mr. CASGRAIN: There is no getting out of that.

Hon. Mr. CALDER: This is only a set of maps.

Hon. Mr. CASGRAIN: I knew you would not understand it. I am not surprised. It is a very strange thing that the honourable member for Grandville (Hon. Sir Thomas Chapais), to whom I showed this book when we were coming up here, knew all about it before he got off the train.

Hon. Mr. CALDER: He is a good map reader.

Hon. Mr. CASGRAIN: He knows I am speaking the truth. Let him get up and contradict me if he will.

In the United States there are 497 persons per mile of railway, but for the last twenty-five years the United States have been decreasing their mileage while we, even up to as late as 1930, continued to increase ours at an enormous rate. We were all drunk with prosperity and we thought it would last. I do not blame those who were responsible, whether they were my political friends or not. I hope I have no political foes. While there are 497 persons per mile of railway in the United States, Canada has only 222. In the United States I do not think there is one railroad west of the Mississippi that was not put into the hands of a receiver three or four times during its lifetime. We should have done likewise with our railways. It was a mistake that we did not, as some of those who are near me know.

In the four Western Provinces there is a mile of railway for every 136 persons; and if we assume that a family consists of five, that means there is a mile of railway for every 27 families. How can you expect 27 families to keep up a mile of railway?

Hon. Mr. BALLANTYNE: That was done during the golden age.

Hon. Mr. CASGRAIN: I am very glad the honourable gentleman has brought up that point. It will lengthen my remarks. I will take the Drayton-Acworth report on this question, which was presented to the Administration of which my honourable friend was a member. That report said that there were 24,000 miles of railroad in this country in 1911, when Sir Wilfrid Laurier went out of power. In 1917, when the report was made, there were 42,000 miles of railroad.

Right Hon. Mr. MEIGHEN: They had been contracted for before the election.

Hon. Mr. CASGRAIN: Sir Wilfrid Laurier was out of power long before that.

Right Hon. Mr. MEIGHEN: But the contracts were made.

Hon. Mr. CALDER.

Right Hon. Mr. GRAHAM: I shall be into this in a minute.

Hon. Mr. CASGRAIN: You will. Everybody accused the Laurier Government of building too many railways. I am quoting almost verbatim from the report when I say that there were so many persons per mile when Laurier was in power. During his golden reign the population jumped, in a decade, from some five million odd to seven million odd, or about forty per cent. Fancy what the situation would have been if that increase had continued. Fate seems to bear ill will to honourable gentlemen of the other persuasion, for every time they come into power everything goes down. Sir Henry Drayton said that in the six years following Laurier's defeat in 1911 there had been no appreciable increase in the population of Canada. The number of persons per mile of railway was considerably diminished. Anybody can make the calculation for himself: when we had 24,000 miles of railroad the number of persons per mile was 284, I think, and when we had 42,000 miles of railway that number had dwindled to 222. Such was the position we were in. I am very glad that my good friend from Alma (Hon. Mr. Ballantyne) brought up that point. I think it is a rather good one.

Now, as I have said, the four Western Provinces have 136 persons, or 27 families, per mile. Do you think that 27 families can maintain a mile of railroad? It cannot be done.

Ontario is not so badly off. In that province there are 225 persons, or 45 families, per mile of railway. But in Quebec there are 550 persons per mile of railway; so that for every mile there are 110 families. From the beginning Quebec has always got the short end of the stick, and even that is given grudgingly. In the Maritime Provinces there are about 230 persons per mile. The situation there is very much like that in Ontario. It is in the West that there are not enough people for the mileage.

Hon. Mr. GORDON: How do you get the number of families?

Hon. Mr. CASGRAIN: The head of a family is supposed to have a wife and three children. Surely it is not too much to expect that a man should have three children. He may have them all at one time.

Hon. Mr. BALLANTYNE: Like Mr. Dionne.

Right Hon. Mr. GRAHAM: That helps the Ontario situation.

Hon. Mr. CASGRAIN: Honourable members may be surprised to learn that in the United States, even though there has been a big reduction of mileage, and certain roads have been scrapped, there are 248,000 miles of railroad. That aggregate is equal to ten times the distance around the earth at the equator. In Russia, which is the country having the next greatest mileage of railway, there are 48,000 miles, and in India there are 42,961 miles. Canada comes fourth with 42,364 miles. I may say that these are official figures. I had placed Canada in third position, but I took the trouble to have the figures verified by the Board of Railway Commissioners, and I find Canada comes fourth in mileage in the world.

It has recently been said by the Prime Minister of this country that the credit of Canada in London was not as good as he would like to see it. He gave as the reason some legislation that had recently been passed in this country—which, by the way, has not yet been put into force. Perhaps I shall be permitted to say why, in my opinion, the credit of Canada is not good. The people behind the old Grand Trunk Railway came to Canada and almost begged for the privilege of spending their good money in this country. Their lawyer was Sir Etienne Cartier—the firm was Cartier and Pominville—and, although he was Sir John A. Macdonald's right-hand man, he had the greatest difficulty in securing for these English people the privilege of spending their money here. In the fifties they invested at one time 6,000,000 pounds sterling, or $30,000,000. That investment was absolutely wiped out, and these people never received a cent of return. You may say that is ancient history; but when the English people lose money they remember it for a long time. We had the benefit of that $30,000,000. And how was it spent? As usual, Quebec got very little. Both sides of the Saint Lawrence were thickly settled, and great care was taken not to run the road there. I do not blame those people. They wanted to anglicize the country, and it was only natural that they should want to do so. They ran the road from Quebec to Richmond, which would be about in the middle of the Eastern Townships. They hoped to establish an English settlement there and divide the French people into two sections. They did not know what they were doing, for the French were the most loyal people. I think it would not be indiscreet to relate a certain incident here. Before Lord Bessborough left England to come to this country His Majesty said to him: "When you go to Western Canada the people will talk to you about wheat, but the people of Quebec will talk to you about loyalty. They are my most loyal subjects." I think that is a high tribute, and I am glad to repeat it here. Never mind where I got my information.

Anyway, the Grand Trunk kept on after losing that $30,000,000 and spent more money. They built from Quebec to Richmond and from Richmond to Montreal, and then they had to build the Victoria Bridge. They could have gone up the north shore, where the Province of Quebec burnt its fingers by building a railway which cost $14,000,000, and which it required a lot of persuasion to get the Canadian Pacific to take over for $7,000,000—just fifty cents on the dollar.

What happened after the Grand Trunk gave good railway facilities to all the principal centres in Ontario? Was their territory respected? It was not. The Government actually subsidized the Canadian Pacific to compete by running into every little town where the Grand Trunk Railway already was. I will give you a little instance. I do not know whether many honourable members are acquainted with Goderich. I know something about it, because I invested some money there once. In the town there is a place where salt is made, and I was interested in that. There never was enough business in Goderich to make one line pay. Yet nothing would suit the Canadian Pacific but to go there.

However, the Grand Trunk did develop Ontario wonderfully. That province to-day, as I have said, does two and a half dollars' worth of business for every dollar's worth we do in Quebec. It has not two and a half times our poulation, but the Ontario people are more industrialized and have a higher standard of living. The average French Canadian wants but little here below—and he gets it.

If I had gone on with this speech I should have told you all about railroads in South Africa, in India and in Australia, but I did not want to proceed.

Now may I be allowed to make a short digression? It will not take a minute.

His Gracious Majesty King George has been pleased to recognize in a marked manner the able Minister of the Canadian Legation at the Court of Japan. The Honourable Herbert Meredith Marler, Privy Councillor, has been created a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George. I have heard that at a meeting of the diplomatic corps in the presence of

the Emperor of Japan, Sir Herbert and Lady Marler were the most distingué couple. All of us who remember the queenly appearance of Lady Marler, and the dignified demeanour of Sir Herbert when he sat in the House of Commons as a representative of Montreal, will readily believe this. The magnificent residence of the Canadian Legation, erected on a large estate in Tokyo, was built by our Minister himself. All this gives prestige to Canada. And prestige to a nation is just like credit to a large financial institution.

Thank you, honourable senators. I now ask that my notice of motion be withdrawn.

The notice of motion was withdrawn.

TRAIL SMELTER CONVENTION

Before the Orders of the Day:

Right Hon. Mr. MEIGHEN: I desire to lay on the Table two copies, in English and French, of the Trail Smelter Convention. I believe a resolution approving of this convention is to be introduced in the other House to-day.

Right Hon. Mr. GRAHAM: What does it refer to?

Hon. Mr. CALDER: Damaged United States property.

Right Hon. Mr. GRAHAM: An award has been given against Canada?

Hon. Mr. HARMER: Yes, of $350,000.

Right Hon. Mr. GRAHAM: That is so, is it?

Hon. Mr. CALDER: Yes.

MINIMUM WAGES BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 40, an Act to provide for Minimum Wages pursuant to the Convention concerning minimum wages adopted by the International Labour Organization in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding parts of the other treaties of peace.

Hon. Mr. MURDOCK: Would it be too much to ask that consideration of these amendments stand over until a later sitting?

Hon. Mr. BLACK: Until the next sitting?

Hon. Mr. MURDOCK: That would depend upon when the next sitting is to be, but I should like a postponement until next Tuesday if possible. The reason I ask this is that the amendments contain some language which is totally unintelligible to the average representative of labour, the average man who has had dealings with labour. For instance, I find in these amendments a reference to "rateable trades." Now, that is entirely over the heads—

Right Hon. Mr. MEIGHEN: That is defined.

Hon. Mr. MURDOCK: I know it is, but, if you will pardon me, the definition does not convey the understanding—shall I say?—that we are used to. It may be the proper term. Then we find the word "machinery" used here very often. That word in certain cases, I think, unquestionably means agreements; in certain other cases it unquestionably means regulations. Now in connection with this Minimum Wages Bill I am sure that the right honourable leader of the House and all concerned desire above all things that the language of the measure shall appeal to the knowledge and intelligence of the ordinary workman who is reading it. And I frankly state, honourable senators, that I do not find it intelligible.

Right Hon. Mr. MEIGHEN: I have no desire to rush the matter over the head of anyone, especially of one so interested as the honourable senator from Parkdale (Hon. Mr. Murdock). But let me deal with the question that he raises, taking the last point first. I too was struck by the use of the word "machinery" when the Bill was in committee. "Machinery" is used in the sense of an organizing entity or organizing entities for effecting certain purposes. The reason we retained the word was that it is the word of the convention adopted at Geneva, and we cannot escape it.

Hon. Mr. MURDOCK: Is the word "operation" also in the convention?

Right Hon. Mr. MEIGHEN: Yes. I say it is, because I am sure it would be, though I cannot recall it exactly. But we all know what "operation" means.

Hon. Mr. MURDOCK: Take the first three lines of section 4, subsection 1:

> The Governor in Council may on the recommendation of the Minister create, and by regulation provide for the operation by or under the Minister of, machinery—

Right Hon. Mr. MEIGHEN: That is right out of the convention.

Hon. Mr. MURDOCK: That word "machinery" surely means agreements.

Right Hon. Mr. MEIGHEN: I should presume so. Anyway, it is the word used in the convention; so all the labour representatives must have agreed to it.

Hon. Mr. MURDOCK: Maybe it is absolutely essential to have that kind of language, but it is different from the tongue in which those dealing with such questions have been wont to talk. I find the expression "rateable trades" referred to ten times in the first two pages. The question would naturally arise: What about the other trades? I agree that "rateable trades" is defined here. Paragraph (e) of section 2 says:

"Rateable trades"- means those trades or parts of trades (in particular, home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

Now I do not know if I am losing my grip, but that is entirely over my head. It sounds to me like absolute nonsense. I am sure I must be wrong, but I am also sure that there are a great many other so-called labour skates who would look upon the language as I do.

Right Hon. Mr. MEIGHEN: I cannot say definitely "rateable trades" is defined in the convention, but I do know that this particular language of the definition of "rateable trades" is right out of the convention. That in the main is the reason for the committee's amendment. I will read the definition. I do not know why it should be so obscure. Possibly it would be obscure to me if I had been accustomed to other methods of expression; but I have not been so accustomed. Here is how it reads:

"Rateable trades" means those trades or parts of trades (in particular, home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

That is exactly the language used in the convention to designate the trades it is intended to cover by special safeguarding provisions. In article 1 of the convention I find these words:

trades or parts of trades (and in particular in home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

Right Hon. Mr. GRAHAM: Is there not a definition of "rateable trades"?

Right Hon. Mr. MEIGHEN: Yes. The convention provides that the governing authority in the country shall, over that area of rateable trades where there is no protection for workers by agreement between organized employees and employers, select trades to which the provisions are to apply. Therefore we define specified rateable trades, and in another section we say the Government may select those trades. In a word, the answer to the honourable senator is this: whatever his difficulty may be, it is a difficulty brought on us by the convention. We have remodelled the whole Bill so it may stand four-square upon the convention. Throughout consideration of the Bill I have been very careful, as the honourable member knows, to take no unnecessary chances of its being defeated before the Privy Council.

Hon. Mr. MURDOCK: For example, "machinery" is used very often in the redrafted sections, 4, 5 and 6.

Right Hon. Mr. MEIGHEN: In every instance the word is taken from the convention.

Hon. Mr. MURDOCK: I think I see what it means now, but I fancy a layman would use another word. If it is necessary to adopt "machinery," why not define the word?

Right Hon. Mr. MEIGHEN: That would be a perilous thing to do. Suppose we define "machinery" in more restrictive terms than the court at Geneva thinks we have a right to: our legislation is gone.

Hon. Mr. MURDOCK: "Machinery" in one place unquestionably means agreements, in another place regulations.

Right Hon. Mr. MEIGHEN: But in both cases the word is taken from the convention.

Hon. Mr. MURDOCK: I am not asking that the Bill be referred back, but if the committee is going to meet next Tuesday morning, I should like to have an opportunity of saying a word or two there.

Right Hon. Mr. MEIGHEN: In Committee of the Whole?

Hon. Mr. MURDOCK: No; the Banking and Commerce Committee.

Right Hon. Mr. GRAHAM: Then it would be necessary to refer the Bill back.

Right Hon. Mr. MEIGHEN: I do not recall such a case. Presumably the committee would have to be instructed.

Hon. Mr. MURDOCK: The reason I make the suggestion is that Mr. Tom Moore does not know that these amended sections were adopted.

Hon. Mr. BLACK: He was before the committee.

Right Hon. Mr. MEIGHEN: I think Mr. Moore was there all through the discussion.

Hon. Mr. MURDOCK: I had his word, just before the House opened this afternoon, that he was not present.

Right Hon. Mr. MEIGHEN: Then I am wrong.

Hon. Mr. MURDOCK: Honourable members will recall that the committee began its consideration of Bill 40 some days ago, and counsel was instructed to redraft sections 2 to 8. Yesterday morning the redrafted sections were considered by the committee and adopted. I was not present at the time. I am not complaining, but in some way some of these things may have slipped by. They may be entirely right, but I think we should be better satisfied if we had an opportunity to look into them a little further.

Hon. Mr. BLACK: I have a very distinct recollection of Mr. Moore being present when the clauses to which the honourable senator from Parkdale refers were adopted by the committee. I do not remember Mr. Moore being present yesterday morning, but what little was done then did not change the wording of the Bill. I think both the honourable senator and Mr. Moore were in the committee when the word "machinery" was discussed.

Right Hon. Mr. MEIGHEN: I raised the objection.

Hon. Mr. BLACK: Yes, and there was considerable discussion on it. It was gone into fully.

Right Hon. Mr. GRAHAM: I think it but fair to confirm what the chairman of the committee has just said. "Machinery" struck every member as rather peculiar, and the right honourable leader of the Government immediately questioned the use of the word. On reference to counsel it was found to be the language of the convention.

Right Hon. Mr. MEIGHEN: In each case.

Right Hon. Mr. GRAHAM: Yes; and we could not very well get away from it. I wondered, as did several other members of the committee, what was meant by "rateable trades." It was explained that though we might not like the term, it was the language of the convention and must be accepted. I am of opinion that a good many terms in the Bill would not be there if we were not tied to the convention. But in fairness this must be remembered: Parliament would not be passing this legislation if it were not based on the convention; there would be no authority to do so. I have never seen any Bill more thoroughly threshed out in the Banking and Commerce Committee. It was practically rewritten in order to bring it within the terms of the convention.

Right Hon. Mr. MEIGHEN: Yes.

Right Hon. Mr. GRAHAM: If the Bill were referred back, I do not know what the committee could do but reaffirm its report.

Hon. Mr. MURDOCK: I am only asking that further consideration of the Bill be held until some time on Tuesday. Then if our representations would not justify the right honourable leader of the House or the chairman of the committee in recommending any changes, the Bill would have to be adopted in its present form.

Right Hon. Mr. MEIGHEN: If it were earlier in the session I would not hesitate to accommodate the honourable gentleman, but I do not want this legislation to be held here and so have the other House unnecessarily crowded. My apprehension in this regard may be entirely wrong. I have no direct intimation of there being any hurry to get the Bill in the Commons. I had intended to move adjournment of the Senate until Tuesday. I frankly say I cannot be here on Monday; I have an important engagement that I must keep. However, I will meet the convenience of the honourable senator from Parkdale to the extent of remaining over to-morrow if the House is agreeable. Then we can discuss the Bill in Committee of the Whole after the honourable senator and I have had a full opportunity to ascertain from Mr. Moore whether there is any real difficulty. To refer this Bill back to the Banking and Commerce Committee would be an intimation that we are not satisfied with it. I particularly want to see Mr. Moore and discuss with him whether the Bill can be improved. My recollection is that he was present when the committee dealt with the Bill, but of that I am not absolutely certain. I remember the honourable senator from Parkdale was not present during the whole discussion.

Hon. Mr. MURDOCK: Would not the right honourable leader give us one further opportunity to discuss the word "machinery"? It is used so often, and apparently it means one thing in one place and another thing in another place. Why cannot a definition be given to it?

Right Hon. Mr. GRAHAM: It covers more than one thing.

Right Hon. Mr. MEIGHEN: The word could be defined, but, in my judgment, if the honourable member understood the position as I do he would be the last one to wish for a definition, because he would be endangering this measure. He may be right that where "machinery" is used in, say—

Hon. Mr. MURDOCK: Take the first three lines on page 2 of the amendments.

Right Hon. Mr. MEIGHEN: The honourable member is referring to clause 4:

The Governor in Council may on the recommendation of the Minister create, and by regulation provide for the operation by or under the Minister of, machinery whereby minimum rates of wages can be fixed for workers employed in rateable trades.

Here is the convention. I will show him why we were compelled to do just what we are doing in this clause. The convention is headed, "Draft convention concerning the creation of minimum wage fixing machinery." The word "machinery" appears in the title and recurs all through the convention.

It will be apparent to honourable members on reference to article 1 of the convention why we define rateable trades. The article reads:

Each Member of the International Labour Organization which ratifies this convention undertakes to create or maintain machinery whereby minimum rates of wages can be fixed for workers employed in certain of the trades or parts of trades (and in particular in home working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

We group all those together and call them rateable trades, and we define rateable trades exactly as the term is defined there. What we do is dictated to us by the convention. We follow it with such slavish exactness so there may be no possible vulnerability in our legislation.

The word "machinery" occurs again in article 3:

Each Member which ratifies this convention shall be free to decide the nature and form of the minimum wage fixing machinery, and the methods to be followed in its operation:

Provided that,

(1) Before the machinery is applied in a trade or part of trade, representatives of the employers and workers concerned, including representatives of their respective organizations, if any, shall be consulted as well as any other persons, being specially qualified for the purpose by their trade or functions, whom the competent authority deems it expedient to consult.

That will be found worked into this Bill. Article 3 continues:

(2) The employers and workers concerned shall be associated in the operation of the machinery, in such manner and to such extent, but in any case in equal numbers and on equal terms, as may be determined by national laws or regulations;

and so on all through. I undertake to give to the honourable member the basic parallel article in the convention for every clause of this Bill.

The motion of Hon. Mr. Black was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall the Bill, as amended, be read a third time?

Right Hon. Mr. MEIGHEN: Even yet I will agree to defer third reading until tomorrow if the honourable senator from Parkdale so desires. If not, we had better proceed with third reading now, in order that the Bill may be sent to the other House. There are so many amendments, affecting nearly all the clauses, that if Mr. Moore or the honourable senator or others interested feel there is any error to be rectified or improvement made, there will be ample opportunity to discuss it in the other House.

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

SUPPLEMENTARY PUBLIC WORKS CONSTRUCTION BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill 63, an Act to create employment by public works and undertakings throughout Canada and to authorize the guarantee of certain railway equipment securities.

Hon. Mr. Gillis in the Chair.

Section 1 was agreed to.

On section 2—authority to execute and complete works:

Right Hon. Mr. GRAHAM: Is there any description of what the equipment is to be? I cannot lay my hands on the Bill at the moment.

Right Hon. Mr. MEIGHEN: I did not give a general review of the Bill yesterday: perhaps I should do so now. It is recited that in pursuance of a previous Act certain public works aggregating approximately $30,000,000 are under construction, and that certain other public works should be undertaken.

By clause 2 authority is given to execute and complete the works specified in schedule A, but it is provided that as far as is practicable and consistent with reasonable efficiency and economy first consideration shall

be given to local workmen, with preference to unemployed ex-service men and unemployed married men and single men with dependents.

Clause 3 provides for acquisition of the necessary lands.

Clause 4 provides for an appropriation, not to exceed $18,000,000, exclusive of obligations for railway equipment as provided for in clause 9.

Right Hon. Mr. GRAHAM: That is what I had in mind.

Right Hon. Mr. MEIGHEN: We shall come to that later. That is in addition to the $18,000,000.

Clause 5 provides for the supervision of any individual work or works by such Minister as may be deemed appropriate.

Clause 6 provides that tenders shall be asked for, except as set out in clause 7. Where the Governor in Council is of opinion that the work is of such a nature that it would be injurious to the public interest to proceed by tender, or that it could be more beneficially executed under the direct supervision and control of the officers and employees of the department, there must be a certificate of the chief or assistant chief engineer or architect in charge of the work for the department.

As to clause 7, I was asked yesterday by the honourable the leader on the other side (Hon. Mr. Dandurand) what would be contained in the certificate. The question is a most pertinent one. I do not see after a careful reading of the clause, that the certificate need contain any specific information. If the engineer were to certify that there were 365 days in the year, that would be a compliance with the clause. The clause should be amended to indicate what the certificate is to cover.

In section 7 there is this proviso:

> Provided that in the case of any one work the cost of which is estimated to be less than fifteen thousand dollars, the Minister of the Department in charge of such work may proceed with such work under the direction of such Minister or Department.

I do not know why the word "one" is used in line 42. I suppose it means any single work where the cost is under the sum mentioned.

Hon. Mr. BLACK: Any individual work.

Right Hon. Mr. MEIGHEN: Yes, any one specified.

Clause 8 provides for the employment of such assistants as may be necessary.

In clause 9 there is a sort of double-headed provision whereby the Governor in Council may guarantee principal and interest of securities the proceeds of which will be used for the purpose of acquiring or repairing equipment for either of the large railways, and, further, the Governor in Council may pay interest on bonds so guaranteed, without recourse, for a period of two years. In the case of the Canadian National it may be extended. This is a means of providing work by merely furnishing, out of the treasury, two years' interest on the cost instead of the whole of the capital required. Emphasis is laid on the necessity of providing for the continuance, and against the dismantling, of our present equipment shops. Both railways definitely say that this is essential, because their own equipment plants can provide them with only certain parts of the equipment necessary. Therefore it is the part of wisdom, if it can be done at not too great a cost, to see that these outside equipment plants are not dismantled.

There is provision for the form of guarantee, and the Governor in Council may insist on security, as against that guarantee, from each of the railroads. Then it is provided that, in lieu of that method, equipment may be purchased and leased to the railroads at a fair rental, except for the first two years, during which there may be no rental. That is merely another way of accomplishing the same end. Whichever method is more economical will, I presume, be adopted.

Right Hon. Mr. GRAHAM: What is the equipment to be—cars or locomotives?

Right Hon. Mr. MEIGHEN: I presume it would be both, and also, in the first case, that repairs to existing equipment would be covered. Of course, repairs could not be included under the alternative plan.

Clause 10 contains a provision whereby crossings are to be made safer for the public. The distribution of the cost will be determined by the Governor in Council, and the Government will establish a fund to be drawn upon, under certain conditions, to the extent of the share assessed to the Government. The distribution could not be made by the Railway Commission in accordance with the usual method, or the legislation of 1928, for the reason that you could not now get municipalities to assume their share, and consequently you would just be blocked. Furthermore, the process of securing the approval of the Railway Commission, even if the municipalities were ready to share in the cost, would be a very slow one.

Clause 11 merely provides that all Orders in Council made under the provisions of this Act shall be laid before Parliament within the specified time; and clause 12 provides

that a full report of everything that has been done shall be made within thirty days of the beginning of the session.

Hon. Mr. COPP: Can my right honourable friend say why the preamble refers to the 1934 Act? Why is it necessary?

Right Hon. Mr. MEIGHEN: I presume it is by way of historical background.

Hon. Mr. ASELTINE: The 1934 Act is referred to in item 10 of the schedule.

Right Hon. Mr. MEIGHEN: Yes. There is an additional reason for the reference to the Public Works Construction Act in the preamble. Paragraph 10 of the schedule reads as follows:

Alterations, improvements and additions to public buildings and to supplement where necessary, upon the authority of the Governor in Council, specific amounts provided in the schedule to the Public Works Construction Act, 1934, $4,000,000.

Right Hon. Mr. GRAHAM: I am not just sure how this will work out in regard to rolling stock. The method of financing the purchase of rolling stock is entirely different from that applied to the financing of any other part of the railways' borrowings.

Right Hon. Mr. MEIGHEN: Yes.

Right Hon. Mr. GRAHAM: If I remember rightly, you issue bonds for rolling stock—

Right Hon. Mr. MEIGHEN: Equipment bonds.

Right Hon. Mr. GRAHAM: —and you pay down twenty-five per cent of the principal, and the lenders of the money take rolling stock as security for the balance, so much of which is to be paid off every year.

Right Hon. Mr. MEIGHEN: Lien agreements.

Right Hon. Mr. GRAHAM: That system will not apply in this case.

Right Hon. Mr. MEIGHEN: No, I should not think that system would be applied at all.

Section 2 was agreed to.

Sections 3 to 6, inclusive, were agreed to.

On section 7—cases in which tenders may not be required:

Right Hon. Mr. MEIGHEN: I would put after the word "certificate" in line 36 the words "as to the wisdom of such recommendation made by," and strike out the word "of."

The amendment was agreed to.

The CHAIRMAN: Are you going to change the word "one" in the proviso?

Right Hon. Mr. MEIGHEN: I suppose it will do.

Right Hon. Mr. GRAHAM: It could not be misconstrued.

Right Hon. Mr. MEIGHEN: It struck me that the Minister could pick out any one work, but he could not do it again. We will leave it as it is.

Section 7, as amended, was agreed to.

Sections 8 to 12, inclusive, were agreed to.

On schedule A:

Right Hon. Mr. MEIGHEN: I will give any particulars that may be desired as to any of these items. I have the particulars here.

Right Hon. Mr. GRAHAM: We are sure of the Toronto tunnel, are we?

Right Hon. Mr. MEIGHEN: I notice it is not described as the "Island Tunnel."

Right Hon. Mr. GRAHAM: That is the tunnel that is referred to here, of course.

Right Hon. Mr. MEIGHEN: Oh, yes. It is not built yet.

Right Hon. Mr. GRAHAM: There may be a lot of weary waiting.

The schedule was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PATENT BILL

CONCURRENCE IN COMMONS AMENDMENTS

Right Hon. Mr. MEIGHEN moved concurrence in the amendments made by the House of Commons to Bill A, an Act to amend and consolidate the Acts relating to Patents of Invention.

He said: As I explained yesterday, these amendments are not consequential in the sense that they substantially alter the Bill as it emerged from our Banking and Commerce Committee. The most important amendment is made on page 7, lines 16 to 26, where clause 2 is struck out and a rewording substituted. After reading it I cannot see that it alters the meaning. The same state-

ment applies generally to the other amendments. There are six in all. This is fairly satisfactory in relation to a Bill thirty-five pages in length and of great complexity.

Right Hon. Mr. GRAHAM: I agree with my right honourable friend. There is only one question in my mind. In the beginning there was so much discussion, with such difference of opinion on many points, between the Secretary of State and the men interested in the patent business, that I think we ought to be careful to see that the agreements reached in committee are not overridden, even by the House of Commons.

Right Hon. Mr. MEIGHEN: On the main subject of contention, where the committee acted against the advice of the Minister, there has been no change.

The motion was agreed to.

INCOME WAR TAX BILL

FIRST READING

Bill 80, an Act to amend the Income War Tax Act.—Right Hon. Mr. Meighen.

CUSTOMS TARIFF BILL

FIRST READING

Bill 83, an Act to amend the Customs Tariff.—Right Hon. Mr. Meighen.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I should like to remind the House that the Banking and Commerce Committee meets immediately after we adjourn. It is almost certain that after the committee concludes its work today it will adjourn until Tuesday morning next at 11 o'clock.

The Senate adjourned until Tuesday, June 11, at 3 p.m.

THE SENATE

Tuesday, June 11, 1935.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST AND SECOND READINGS

Bill O2, an Act to incorporate the Community, General Hospital, Alms House and Seminary of Learning of the Sisters of Charity at Ottawa, Canada.—Hon. Mr. Coté.

Right Hon. Mr. MEIGHEN.

SUSPENSION OF RULE

Hon. Mr. COTE moved:

That Rule 119 be suspended in so far as it relates to the Bill intituled: "An Act to incorporate The Community, General Hospital, Alms House and Seminary of Learning of the Sisters of Charity at Ottawa, Canada."

He said: The purpose of my motion is to enable this Bill to come before the Committee on Miscellaneous Private Bills without going through the formality of posting for seven days. If the Bill had to be posted for seven days it could hardly reach the committee before the end of the session.

Hon. Mr. MURDOCK: Would the honourable senator kindly let us know what the Bill is about?

Hon. Mr. COTE: It is simply a Bill to give federal incorporation to the community commonly known as the Grey Nuns. They have been incorporated for many years. The first Act of incorporation was passed by the Legislature of the old Province of Canada in, I think, 1849. That Act was amended from time to time. Recently, when it was found necessary to amend it further, counsel on behalf of the corporation advised that there was great doubt as to the legality of an amendment by this Parliament of the Act passed by the old Province of Canada. So the petition for such an amendment was withdrawn and a new petition, seeking federal incorporation, was filed. The chief purpose of this Bill is to change the provincial incorporation to a federal incorporation, and to re-enact, to all intents and purposes, the provincial statute.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, presented the following bills, which were severally read the first time:

Bill P2, an Act for the relief of Jean Taggart Harfield.

Bill Q2, an Act for the relief of Lily Usheroff Bruker.

Bill R2, an Act for the relief of Hilda High de Boissière.

UNITED STATES AIR BASE ON LAKE CHAMPLAIN

INQUIRY

Before the Orders of the Day:

Hon. RODOLPHE LEMIEUX: Honourable senators, may I ask the right honourable leader of this Chamber if there is any truth

in the statement, which appeared in the press this morning, that the United States has selected an island in lake Champlain, not very far from the Quebec boundary, as an air base. I should also like to know what arrangements, if any, are being made with Canada as regards the site in question. Has there been any communication with the Government or with any department on this subject?

Right Hon. ARTHUR MEIGHEN: I shall give the honourable gentleman an answer tomorrow. I saw the article in the press last night, I think, and it contained a statement to the effect that the Government did not feel the matter was one for intervention. However, before giving a definite answer as to whether that is the actual position I shall make inquiries.

WEIGHTS AND MEASURES BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 70, an Act to amend the Weights and Measures Act.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

JUVENILE DELINQUENTS BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill L2, an Act to amend the Juvenile Delinquents Act.

Hon. Mr. Gillis in the Chair.

On section 1—summary trials:

Hon. Mr. DANDURAND: Will the right honourable gentleman tell us how the Act is modified by this clause? The new words are "save as provided in section thirty-three hereof." I do not know of any explanation having been given by my right honourable friend on the second reading.

Right Hon. Mr. MEIGHEN: I have before me section 33 of the Act, which would be repealed and replaced by clause 3 of this Bill. As regards clause 1, I have a letter from Mr. W. L. Scott, K.C., who, as everyone knows, is a citizen actively interested in the law on this subject and particularly in its enforcement by the proper authorities. He writes as follows in explanation of the change desired:

Referring to our conversation of yesterday, you will recall the amendments to subsections 2, 3, 4, 5 and 6 of section 215 of the Criminal Code, which gave so much trouble in 1933. You will find the subsections as amended in section 3 of chapter 53 of the statutes of that year, 23-24 George V. As I mentioned to you, Mr. Humphries, Deputy Attorney-General in Ontario, considered subsection 3 obscure in meaning, and otherwise unsatisfactory, and owing to his opinion it has not so far been made any use of.

Right Hon. Mr. Bennett, at the time when the last amendments were adopted, told Miss Whitton if the section as amended did not work, to come back to him and he would see that it was further amended, but both he and the Minister of Justice are now, I believe, too ill to give the matter attention.

I therefore enclose, for your consideration, a proposed new subsection 3, which, as I told you yesterday, has been submitted to Mr. Humphries and approved of by him. If you can see your way to having this substituted this session for the subsection 3 adopted two years ago, I will appreciate it very much indeed.

So honourable members will see that clause 1 is introduced merely because of the obscurity of the present Act. The only change that this clause would make is found in lines 19 and 20, where these new words are inserted:

save as provided in section thirty-three hereof.

That is to say, there is no change at all down to the word "adult," at the end of line 18, which is the end of the main part of the clause. All that is changed is the proviso, which hitherto has read:

Provided further, that section one thousand one hundred and forty of the Criminal Code shall, mutatis mutandis, apply to all proceedings in the Juvenile Court.

Section 1140 covers nearly two pages, and I do not need to read the whole of it. I will read merely enough to give the House the purport:

No prosecution for an offence against this Act, or action for penalties or forfeiture, shall be commenced

(a) after the expiration of three years from the time of its commission if such offence be
  (i) treason ...

(b) after the expiration of two years from its commission if such offence be
  (i) a fraud upon the Government ...
  (ii) a corrupt practice in municipal affairs ...
  (iii) unlawfully solemnizing marriage ...

(c) after the expiration of one year from its commission if such offence be
  (i) opposing reading of Riot Act ...

(d) after the expiration of six months from its commission if the offence be
  (i) unlawful drilling ...

(e) after the expiration of three months from its commission if the offence be
  (i) cruelty to animals ...

(f) after the expiration of one month from its commission if the offence be improper use of offensive weapons under sections one hundred and sixteen and one hundred and eighteen to one hundred and twenty-four inclusive.

2. No person shall be prosecuted, under the provisions of section seventy-four or seventy-eight of this Act, for any overt act of treason expressed or declared by open and advised speaking unless information of such overt act, and of the words by which the same was expressed or declared, is given upon oath to a justice within six days after the words are spoken and a warrant for the apprehension of the offender is issued within ten days after such information is given.

Now, one of these clauses for the limitation of action would apply to the prosecutions referred to in this Juvenile Delinquents Act. But the proviso in clause 1 of the Bill says:

Provided further, that save as provided in section thirty-three hereof, section one thousand one hundred and forty of the Criminal Code shall, mutatis mutandis, apply to all proceedings in the Juvenile Court.

That is to say, the limitation of actions, as provided for in the general section of the Code, applies in respect of actions to be taken in the juvenile courts, except as provided in section 33 of the Juvenile Delinquents Act. The real effect is that hereafter the only limitation with respect to prosecutions under the Juvenile Delinquents Act shall be as follows:

(1) Any person, whether the parent or guardian of the child or not, who, knowingly or wilfully,

(a) aids, causes, abets or connives at the commission by a child of a delinquency; or

(b) does any act producing, promoting, or contributing to a child's being or becoming a juvenile delinquent or likely to make any child a juvenile delinquent;

shall be liable on summary conviction...

(2) Any person who, being the parent or guardian of the child and being able to do so, knowingly neglects to do that which would directly tend to prevent said child being or becoming a juvenile delinquent or to remove the conditions which render or are likely to render said child a juvenile delinquent shall be liable on summary conviction ...

(3) The Court or magistrate may postpone or adjourn the hearing of a charge under this section for such periods as the Court may deem advisable or may postpone or adjourn the hearing sine die and may impose conditions upon any person found guilty under this section and suspend sentence subject to such conditions, and on proof at any time that such conditions have been violated may pass sentence on such person.

This means that there will be no limitation at all as to the time at which a prosecution may be entered, and wide power is given to the magistrate to make postponements and to impose conditions upon any person found guilty. I must say I am quite clear as to what the Act means in its present form, which Mr. Humphries could not understand, but I am utterly bewildered as to what it will mean if this new section passes.

Hon. Mr. DANDURAND: I am sorry to find that this Bill, which originated in our Chamber, is not accompanied by a brief explanation such as our rule calls for. The only explanatory note is:

The words underlined in the text of the Bill are new.

We take it for granted that they are; but if that particular section which is meant to apply had been succinctly set out in the explanatory notes, my right honourable friend would not have had to delve into the statute.

Hon. Mr. LEMIEUX: But we all know that the sponsor of the Bill means well.

Right Hon. Mr. MEIGHEN: I depended upon that. I sent his suggestions to the Department of Justice and found that they were approved. The situation is this, as I understand. The Juvenile Delinquents Act, section 33, gives certain privileges to the magistrate as to adjournment and conditional release. The amendment says that the provisions of the Criminal Code respecting procedure shall apply to prosecutions under section 33, but subject to these special privileges given the magistrate under such section.

I move that the committee rise and report progress.

Hon. Mr. CASGRAIN: Would the right honourable gentleman explain why this session we are so frequently amending the Criminal Code? Has the country under the present regime become so bad that such amendments are absolutely necessary?

Right Hon. Mr. MEIGHEN: The country is so enthusiastic over the fact that our penitentiaries are half empty that it is urging us to keep up the good work.

Progress was reported.

CRIMINAL CODE BILL

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on Bill M2, an Act to amend the Criminal Code.

Hon. Mr. Gillis in the Chair.

On section 1—irrebuttable presumption:

Right Hon. Mr. MEIGHEN: The original subsection is set out in the explanatory notes. The proposed changes are underlined in the amending section. The intention of the amendment is to except a certain case—a case which

was under discussion when a similar amendment was last before us. This exception reads:

Provided that this subsection shall not apply in the case of two persons who, though in fact living in adultery, are living together as man and wife and are reputed so to be and where the child so affected is the child of such union.

I cannot compliment the draftsman. It has been pointed out to me by the honourable senator from Winnipeg (Hon. Mr. McMeans) how hopelessly wrong in meaning this proviso is. The two persons would not be living in adultery if neither was married, and therefore the Criminal Code would not apply. Then do the words "are reputed so to be" refer to their living together or to their being man and wife? Probably the meaning intended is, they are reputed to be living together as man and wife. An amendment has been prepared by the honourable senator to alter the wording.

Hon. Mr. MURDOCK: Is not this Bill predicated upon the passing of Bill L2, which was before Committee of the Whole a few minutes ago?

Right Hon. Mr. MEIGHEN: Oh, no. The two are associated, but this Bill would be of value even though the Juvenile Delinquents Act were not amended as proposed by the other Bill.

Hon. Mr. McMEANS: Honourable senators, I move the following amendment:

Strike out all the words after the word "provided" in the sixteenth line and substitute the following:

Provided that this subsection shall not apply in the case of two persons who are not married to each other, but are living together as man and wife and reputed to be man and wife, and where the child so affected is the child of the two persons so living together or either of them.

I have added the words "or either of them" because I think it would be reasonable so to extend the proviso.

Right Hon. Mr. MEIGHEN: When the honourable member showed me the amendment I made no objection, but it strikes me now that the addition of the words "or either of them" is dangerous. Suppose some woman with a child chooses to live with a man in a most demoralizing manner: the Children's Aid Society would be powerless to rescue the child. If the man and woman are the parents, the child should remain with them; but I would not say that the child should be left with the mother if she is behaving as I have described. I am afraid the main purpose of the section would be defeated.

Hon. Mr. McMEANS: I cannot see the distinction. Take a man who has a child; he goes to live with a woman, and she keeps house for him. I think he is entitled to the custody of his child. He is bound to provide it with the necessities of life and educate it. We know that throughout the length and breadth of this country there are many unmarried couples living together as husband and wife, many of them in good society, too. I have had experience and I know it.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. McMEANS: Well, not personally. Men and women are living together without going through the form of marriage. They could go before a county court judge and get married, but some of them think there is no necessity to do so. They are living together as respectable members of society. The father of a child, though living with a woman other than its mother, is entitled to the custody of that child just the same as if it were their joint offspring.

Hon. Mr. MURDOCK: Will the honourable gentleman reverse the situation and then argue the point?

Hon. Mr. McMEANS: No.

Hon. Mr. MURDOCK: Suppose the woman had a child and, as the right honourable leader of the House has said, she takes a man to live with her.

Hon. Mr. McMEANS: She is providing for her child—the man she is living with is supporting her and the child. I do not see why there should be any distinction drawn between the child of both persons and the child of one of them. I cannot follow the reasoning of the right honourable leader in that respect.

Hon. Mr. CALDER: The point raised by the honourable member from Winnipeg (Hon. Mr. McMeans) is worth considering. I agree with him that the condition described does exist.

Some Hon. SENATORS: Where?

Hon. Mr. CALDER: All over the country. Men and women have been living together for years without getting married. They are not vicious; they are good-living people, except for not being married. Suppose the man or the woman happens to have a child and later they decide to live together. After they have been living together for six or eight years, is the Children's Aid Society to have the right to step in and take that child away? If the child is the child of such union, the section does not apply; but in

the case I have cited, where a man and woman are living together peaceably as decent citizens—you may say as man and wife—the child is to be taken away from them. I doubt the wisdom of it.

Hon. Mr. LEMIEUX: Apart from the question of morality, I should like to know from the right honourable gentleman (Right Hon. Mr. Meighen), who is thoroughly familiar with our criminal law, whether a man and woman living together, but not in the bonds of matrimony, can establish a legal domicile.

Right Hon. Mr. MEIGHEN: Whether the couple are legally married or not does not, I think, affect the question of domicile in any province. Domicile is determined by other factors altogether. I may point out that under the section the case which the honourable senator from Winnipeg (Hon. Mr. McMeans) has in mind would not be a reason for taking the child away. I have to admit that the section provides an exception only where the child is the child of the couple living together as man and wife. In the case referred to by the honourable senator from Winnipeg (Hon. Mr. McMeans) and the honourable senator from Saltcoats (Hon. Mr. Calder), adultery is not a necessary element in the situation. If neither of the parties is married, under the law there is no adultery. Consequently we have to assume that what Mr. Scott intended by the amendment did not contemplate that in such a case the child should be taken away; but I am inclined to think Mr. Scott did not apprehend the full meaning of the amendment. I do not suppose he would be satisfied to allow a child living in such circumstances as have been described by my honourable friends to be put beyond the pale of the Children's Aid Society. I do not think it was ever intended that the child of a woman who deliberately went to live with a man not her husband should remain under her control without being in some way subject to the control of the Children's Aid Society. I should be in favour of the amendment moved by the honourable senator from Winnipeg (Hon. Mr. McMeans) if he would leave out the words "or the child of one of them."

Right Hon. Mr. GRAHAM: Honourable members, the breaking up of a family, even if that family does not comply with our matrimonial laws, is a serious matter, and you cannot justify it simply because you do it by statute. The Children's Aid Society in Ontario is a very enthusiastic organization, but it is possible for it to go beyond what is best in the interests of the children, and even of the parents.

Hon. Mr. CALDER.

Years ago I learned a lesson from Sir Wilfrid Laurier in regard to matters of this kind, and ever since I have been somewhat chary of legislation which breaks up a family, and depends for its justification on the conduct of a man or woman, or both of them. The Moral Reform Association, as you know, is composed mostly of clergymen. A deputation of that body came down to interview Sir Wilfrid Laurier. I happened to be with him. The deputation asked two things: first, that legislation be passed to make adultery a crime; and second, that horse-racing be curtailed. I well remember Sir Wilfrid Laurier turning to me and saying: "George, perhaps we can meet them part way on horse-racing, but I am not so sure about the other." I thought the remark a strange one, but Sir Wilfrid explained to me that in thousands of families, some of them even in the province of Quebec, the parents had never been married. Men and women in remote sections, where a priest or a clergyman would come perhaps only once in a year, had lived together and raised families. Many of those families were thoroughly respectable; some of them occupied some of the highest positions in the country. When I went home I made some inquiries and found two or three such families in my own county. The point stressed was that legislation of the kind asked for would enable busybodies to declare illegitimate whole families, and even second generations of families, who had always thought they were legitimate. Another phase was perhaps just as alarming, namely, that such legislation would enable a community of blackmailers to prey upon respectable people by threatening to expose them as having committed the crime named in the law while, morally, they had committed no such crime. These blackmailers would be able to follow such people to hotels, ascertain how they registered, and then start action against them.

This is a delicate subject. I think it is a good thing to give the Children's Aid Society all the power necessary to rescue children who are liable to be contaminated; but in giving them that power we shall have to be discreet in order to prevent the breaking up of the family, as pointed out by the honourable senator from Winnipeg, when it would be a much greater crime than leaving the children where they were. Some of these unions, though not legitimate, are respectable, and I am not sure that man-made moral laws should override all the rights of our citizens.

Hon. Mr. CALDER: There is another classical case that we should be careful about. Let us assume that the woman has married a man and borne him a child, that the man

turns out to be a very vicious character, and that, in the course of three years or so, either he leaves her or she must leave him. He disappears. She then becomes acquainted with another man, and with her child she goes to live with him. In so doing she commits adultery. What is to become of that child? Is the law to say that the child in a home such as referred to by the right honourable senator from Eganville (Right Hon. Mr. Graham) is to be taken away from its mother? I do not think it should.

Hon. Mr. DANDURAND: The case my honourable friend has just given was in my mind when he rose. During my practice at the Bar I came across one or two cases in which a man had assumed the responsibility of caring for a woman and her child, and had become a very good father to the child, and it was only when it became necessary to produce a certificate in order to marry that the child discovered the true situation of affairs. It would seem that there is cause for reflection, because under the Act as it is—and the Bill would not improve the situation—the society is allowed to take a child away from one who has been its protector and a good father for fifteen or twenty years. The Act says:

> In any prosecution under subsection two of this section, that the child was in danger of being or becoming immoral, its morals injuriously affected and its home rendered an unfit place for it to be in—

Must all of those conditions obtain before the magistrate is entitled to take the child away, or is any one of them sufficient to establish an irrebuttable presumption? If all of them are necessary there is some protection for the child; but if cohabitation alone is sufficient, I think we had better pause and ask ourselves if the Act cannot be revised in such a way as to enlarge the discretion of the magistrate.

Right Hon. Mr. MEIGHEN: Proof of any one would be sufficient.

Hon. Mr. DANDURAND: Then there would be very great hardship to the child in cases such as those to which I have referred.

Right Hon. Mr. MEIGHEN: Would the child be the child of one of the two persons, or of both?

Hon. Mr. DANDURAND: Of one.

Right Hon. Mr. MEIGHEN: Then I think the amendment of the honourable senator from Winnipeg should carry, if the argument is good.

The Hon. the CHAIRMAN: It is moved that all the words after the word "provided" in the sixteenth line be struck out, and that the following be substituted:

> Provided that this subsection shall not apply in the case of two persons who are not married to each other, but are living as man and wife and reputed to be man and wife, and where the child so affected is the child of the two persons so living together or either of them.

Right Hon. Mr. MEIGHEN: I do not suppose I have the right to move an amendment to the amendment, but I may say that I should be prepared to accept the amendment proposed if the last four words were struck out. Otherwise, I am afraid that it would be beyond the power of the Children's Aid Society to rescue the child of one of the parents, even though its surroundings were, in the opinion of the society, detrimental to its wellbeing. It must be presumed that the Children's Aid Society will not interfere if the home is a respectable one, such as has been described by the honourable senator from Saltcoats (Hon. Mr. Calder) and the right honourable gentleman from Eganville (Right Hon. Mr. Graham). The purpose of the society is to look after homes that are not of that character, and children who are in danger of being demoralized. Consequently, we can probably depend upon the members of that organization not to act as mere busybodies. They have enough to do in looking after bad cases without interfering in cases where no improvement can be made.

Hon. Mr. DANDURAND: I would suggest to my right honourable friend that we suspend consideration of this Bill in order to see if some discretion cannot be granted to the magistrate, and this expression, "It shall be an irrebuttable presumption"—

Hon. Mr. LEMIEUX: That is governed by the words "upon proof." You must give the magistrate a chance to exercise his judgment. These facts must be proven. A judge would not interfere with the status of the child unless they were.

Hon. Mr. DANDURAND: But I draw attention to the fact that if one of the conditions appears to be established, for instance the cohabitation of the two persons, it is an irrebuttable presumption that there is danger of the child being or becoming immoral, or its morals being injuriously affected. What troubles me is the fact that the establishment of cohabitation alone creates an irrebuttable presumption.

Hon. Mr. CALDER: I quite agree as to the point raised by my right honourable leader (Right Hon. Mr. Meighen). It seems

to me that some provision should be made to the effect that something more than mere cohabitation should have to be proven; for instance, that the home is totally undesirable.

Hon. Mr. LEMIEUX: Hear, hear.

Hon. Mr. CALDER: The mere fact that there is proof of cohabitation should not be sufficient ground for taking away the child. It is all very well to say that the Children's Aid Society, or some other society, will not interfere. They may or they may not. We should not put them in such a position that they can interfere unjustly. If the case rests on cohabitation only, I think that feature of the law should be amended so as to require proof that the home is undesirable, or something of that nature.

Right Hon. Mr. MEIGHEN: I am ready to accept the suggestion of the honourable the leader on the other side (Hon. Mr. Dandurand), and will move that the Committee rise, report progress, and ask leave to sit again. Then, before we proceed with this Bill to-morrow, we shall be able to see Mr. Scott.

Hon. Mr. CASGRAIN: Is there not another clause?

Right Hon. Mr. MEIGHEN: The other clause merely provides a limitation of action.

Hon. Mr. CASGRAIN: We could pass that.

Hon. Mr. DANDURAND: The honorary solicitor of the society will be able to examine into our difficulty.

Right Hon. Mr. MEIGHEN: Yes; he can read the debate.

Progress was reported.

INCOME WAR TAX BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 80, an Act to amend the Income War Tax Act.

He said: Honourable members, the tragic purpose of this Bill is written in almost every paragraph. It adds to the list of incomes appearing in paragraph A of the First Schedule of the Income War Tax Act of 1932-33 those set out in the table under paragraph AA of the Bill. It imposes a tax of two per cent on incomes of from $5,000 to $10,000; three per cent on incomes of from $10,000 to $14,000, and so on.

Under clause 2 of the Bill, paragraph C, the corporation tax is increased from 12½ per cent to 13½ per cent; and under paragraph D of the same clause, in cases where there is a consolidated balance sheet of the parent company and its subsidiaries there is an increase from 13½ per cent to 15 per cent. The reason is that if balance sheets and reports are made separately by constituent companies of the organization, those that make money will have to pay the tax, while those that do not make money will not have to pay it, but in the consolidated balance sheet the loser is set off against the winner, and in that way the assessment is reduced. As an offset to that advantage the rate is increased to 15 per cent by this paragraph D.

In clause 3 a distinction is drawn for the first time in Canada between earned and unearned income. Earned income is described in paragraph (m) as meaning salary, wages, and so forth. Everything in excess of $14,000 is unearned income. Earned income up to $14,000 is put in a favoured position.

Right Hon. Mr. GRAHAM: Would a senator's indemnity be classed as earned or unearned income?

Right Hon. Mr. MEIGHEN: That would be earned income. In this respect I may say that while I suppose there are many cases where a distinction can be made, I cannot become very enthusiastic about the virtue of a distinction. If a man works hard all his life and accumulates something from which he can draw an income, it is pretty severe to tell him that he did not earn that income. Nevertheless it appears to be the habit of other countries to distinguish. I presume there are cases where through inheritance men have incomes which they do not earn, and in such cases there possibly is justification for drawing a distinguishing line. Perhaps on the whole the best compromise is to say that income up to a certain amount shall be considered in one class, and income above that in another class. That is what this Bill does in providing that incomes over $14,000 shall be rated as unearned.

Paragraph (o), which will be new paragraph (o) of section 2 of the Act, provides that interest paid by a company on an income debenture shall be regarded in just the same light as a dividend paid on stock. I think that is quite right. So that honourable members will see the real effect, I will give this explanation. A company has a bond issue, a preferred stock issue and a common stock issue—the usual set-up; there are many complications. The interest on the bond issue is obligatory; it is a mandatory charge, and in estimating the company's profits this interest is deducted. But any dividend which may be paid on preferred stock is not deducted; that is not a charge against the company, and the company has the option of

paying it or not, if it is earned. Now let us say that a company has a bond issue, with obligatory interest, but instead of issuing preferred stock its directors say: "We would not pay any dividends on such stock unless they were earned. So why not issue income debentures instead and provide that they shall pay 6 per cent, but only if the 6 per cent is earned?" In other words, the income debentures would really be preferred stock, but under the present Act interest paid on such income debentures has been deducted from earnings. So the company escaped taxation on its earnings which, in effect, went out as preferred stock dividends.

This amendment would prevent any evasion of that kind. There are provisions for special cases, where bonds did exist and have been converted into income bonds in order to enable a company to carry on. There are many such instances with respect to concerns which have got into financial difficulties. The Minister can rule that the interest paid on such income bonds may be deducted from earnings. This is quite right. Every honourable member knows that during these times the companies are legion which have been reorganized and have given income debentures or income bonds in place of bonds on which interest was mandatorily payable. As I say, for such cases exception is provided.

Clause 4 excepts the income of religious, charitable, agricultural and educational institutions, boards of trade and chambers of commerce. The income of such institutions is exempt in the present Act, and the only difference is that this amendment makes the exemption subject to the proviso that no part of the income of the institution, board of trade or chamber of commerce shall go to the personal profit of, or be paid or payable to, any proprietor thereof or shareholder therein. I suppose it is conceivable that shareholders of a chamber of commerce might get a dividend. Should that happen in any case, the income would not escape.

Clause 5 provides further detail as to exemptions from surtax.

Paragraph (i) of clause 6 gives power to the department—it says to the Minister, but it will of course be exercised by the Commissioner of Income Tax, Mr. Elliott—to protect the revenue in cases like this. A very large United States corporation—I could name one, but I do not want to indicate that any particular company has been an offender—has a subsidiary in Canada. It is to be presumed that this subsidiary is a profit-making enterprise. Against the earnings of the subsidiary the corporation always charges a certain proportion of its own overhead, its costs for engineering, research, supervision and so on. Suppose it wanted to keep down apparent earnings of the subsidiary so as to avoid certain taxes in Canada. It could do so by over-assessing such charges as I have mentioned, by making the balance sheet of the Canadian branch bear the burden of an excessive proportion of the parent company's expenses. In that way it would deprive the Canadian treasury of its fair share of taxes. This clause enables the Minister to revise such charges and reduce them to what he may deem a fair level.

Paragraph (j) of this clause 6 is designed to remedy a condition whereby Canada bears the burden in time of loss and receives small taxes in time of profit.

Paragraph (k) is very important. It deals with dividends on income bonds or income debentures, in the distribution of earnings by any corporation to holders of its income bonds or income debentures. I explained the essence of this in my first outline.

Clause 7 has to do with the limitation of earned incomes in certain cases. This is easily understood on reading. It provides with respect to Canadians a control exactly analagous to that provided in the previous clause with respect to American or other foreign companies. In order to avoid income taxes after this Bill becomes law, when there is a distinction between earned and unearned income, a company which is owned largely by a man and his family might increase the salary of the man so that he would receive his remuneration in the form of salary rather than of dividends.

Hon. Mr. CASGRAIN: That has been known to be done.

Right Hon. Mr. MEIGHEN: Well, this clause will prevent any escape in that way. I call that particularly to the attention of the honourable senator who has just spoken.

Clause 8 provides that the following subsection shall be added to section 9 of the Act:

> The total income of each taxpayer other than a corporation or a joint stock company shall be compiled by having the earned income form the base, above which shall be placed the investment income, and according thereto the appropriate additional rates of tax on investment income as provided by paragraph AA of the first Schedule of this Act shall be applied.

That is simply a method of computation.

Clause 9 provides for payments in respect of certain copyrights. It is pretty much a matter of technical detail.

In clause 10 there is a further provision against evasion in the case of non-resident companies.

Clause 11 has to be kept in mind in respect of a point which I know will come before the committee when this Bill is referred to it. The clause amends section 12 of the Act by adding this subsection:

For the purposes of this Act any annual amount received in respect of an income bond or income debenture shall be deemed to be a dividend.

And there is a clause later on, No. 16, which reads:

Sections one, two, three, four, five, six, seven, eight, ten, eleven, twelve and thirteen of this Act shall be applicable to income of the 1934 taxation period and fiscal periods ending therein and of all subsequent periods.

As I read the Bill, I received the impression that the effect of clause 16 and other clauses to which I have referred is to provide that what was paid in 1934 as interest on an income debenture shall be considered as having been paid in 1934 as a dividend and therefore shall be taxable. Of course, most legislation of this kind is retroactive, but this is retroactive in a sense and with an effect which are pretty severe.

Hon. Mr. DANDURAND: What clause is my right honourable friend referring to?

Right Hon. Mr. MEIGHEN: I am calling attention to the effect of clauses 11 and 16 when read in relation to the income debenture paragraph at the end of clause 3.

There is a provision in clause 12 for an exception from the 12½ per cent deduction. That is not so important; it is a detail.

Clause 13 is a further provision with respect to the consolidated returns of unit companies in an organization entirely owned or controlled by a parent company.

Clause 14 amends the Act by adding a new Part XII, which imposes a tax on gifts. This will be very interesting to all honourable members of philanthropic mind. Hereafter their philanthropy is to be taxed.

Hon. Mr. LEMIEUX: To what extent?

Right Hon. Mr. MEIGHEN: On gifts aggregating in a single year $25,000, but not more, 2 per cent; on gifts between $25,000 and $50,000, 3 per cent; between $50,000 and $100,000, 4 per cent. The rate gradually increases until between $500,000 and $1,000,000 it is 9 per cent, and on gifts exceeding $1,000,000 it is 10 per cent. This tax will apply to the aggregate gifts in a single year to all persons, outside charitable institutions, of course. But there is an exception. Gifts aggregating not more than $4,000 in a single year are not taxable.

I think this provision for a gift tax is quite necessary. In our income tax law there is such a heavy gradation upwards that a head of a family will sometimes avoid taxation by distributing some of his assets among other members of the family, and while the group as a whole receives perhaps the same income as before, the head has less and the weight of supertax is reduced in his case. That kind of thing has been pretty well provided against in previous years by other amendments, but this amendment is needed at the present time because of the distinction drawn between earned and unearned incomes. All such gifts are liable to succession duty taxes, the same as if transfer had been made by will. Gift taxes are payable when the gift is made, and if not so paid the tax will bear interest at the rate of 10 per cent from that time on.

We are all agreed that with the advance in the unit of capital, the tremendous invasion of machinery into our complex economic system, and the vast and powerful lever thereby given to individuals of superior capacity and enterprise, heavier and still heavier taxes must fall on the successful. I do not think there is any real resistance to that principle anywhere. But let none of us think that there must not be a limit. I am afraid we in Canada are already losing some of our heaviest taxpayers. Nevertheless the country's obligations must be met. And I am sure it is only the desire of everyone who has had some success that such laws should be enacted as will enable the burden to be sustained by those who can sustain it, care being taken that legitimate reward of enterprise, effort and work is not so far removed that people abandon all thought of toil, danger and risk rather than give the whole proceeds of their earnings to others, and that those who now have to pay the largest share of the burden are not driven away from our land.

Hon. Mr. LEMIEUX: I highly approve of the right honourable gentleman's language. In his last remarks he has clearly stated what is in the minds of the majority of taxpayers of this country. We have reached a point where it is considered almost a sin or a crime to earn money. The moment you show a bank balance in your favour the Government comes and takes it away from you. This year many people have had to borrow in order to pay their taxes. This, I know, is customary, but it has become more general. The right honourable gentleman has said it is proper that gifts beyond a certain amount be taxed. Consider the condition, let us say, of our seats of learning.

Right Hon. Mr. MEIGHEN: Gifts to them are not taxed.

Hon. Mr. LEMIEUX: They are exempt?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: Up to 10 per cent of one's income.

Right Hon. Mr. MEIGHEN: A person is permitted to make a gift to charitable institutions up to 10 per cent of his income and deduct it in his income tax return. What my honourable friend has in mind, I think, is the special gift tax imposed here. It does not apply to gifts to universities.

Hon. Mr. LEMIEUX: I would not libel our few remaining millionaires by mentioning their names. Some of those gentlemen, to perpetuate their fame, would, in their lifetime, like to make large grants to our universities, irrespective of creed or language. Our universities are in a sorry plight to-day. The better endowed among them can continue to function only by exercising the strictest economy. In former years the rich men of this country gave willingly and generously to our large institutions of learning. I am afraid that the severity of our constantly increasing taxation will soon deprive us of those generous donors.

There is another point which I should like the right honourable gentleman to explain. Everybody accepts the burden of taxation, if not with pleasure, at least with serenity. But it is urged that the end of increasing taxation must be in sight, that there should be a successive decrease as the years come around.

Hon. Mr. CALDER: There is no chance of that.

Hon. Mr. LEMIEUX: There is—if you practise economy. Several savings could be effected by the Government. I grant you it would be difficult. My right honourable friend will remember his Virgil: facilis descensus Averni; not facilis ascensus Averni. It is easy to go downhill, or, to be more specific, to spend money; but to retrench is another matter.

Now, does not the Government intend to retrench more drastically than it has done in the past few years? Take radio: could we not dispense with it?

Hon. Mr. CALDER: We must have radio.

Hon. Mr. CASGRAIN: The Government used to derive a million-dollar income from radio licences; now it has to provide $2,000,000 for the Radio Commission.

Hon. Mr. LEMIEUX: Unless we practise economy until it hurts we shall not see a return of the conditions of yesteryear. I remember during the War our dear lamented colleague Sir George Foster, in one of his eloquent speeches, said: "You must give, and give liberally, for war purposes; you must give until it hurts." The Government should be encouraged to practise drastic economies until it hurts. I have mentioned one. My honourable friend from Saltcoats (Hon. Mr. Calder) says, "We must have radio." Well, we can dispense with radio; or, if we want it, we can pay for it. Independent companies are ready to establish radio broadcasting.

Hon. Mr. CASGRAIN: They would be glad to.

Hon. Mr. LEMIEUX: Yes. We had our private broadcasting stations in Montreal, and the public chose whatever programmes they cared to listen to. Why should the Government assume the cost of broadcasting? It is unnecessary, and is giving rise to a great deal of trouble in the various provinces. French songs, English songs, German songs and Ukrainian songs, all very beautiful, are broadcast by the Radio Commission. But no one cares to spend his time listening to what he does not understand. Other savings could be effected, and when the Bill comes up for third reading I shall point out to my right honourable friend how the Government could in a reasonable term of years bring the country back to a reasonable system of taxation. I tell him frankly—and he knows the truth of what I am saying—that people are becoming sick and tired of the huge taxation bill which confronts them every year.

Hon. Mr. CASGRAIN: Before the right honourable gentleman answers, may I say that I am glad my honourable friend from Rougemont has brought up the subject of radio broadcasting. We used to pay $1 a year for the privilege of owning a radio. At that time, I am told, there were more than a million radio instruments in use in this country; so the Government was able to collect $1,000,000 or more without expending one cent for radio broadcasting. What is the position to-day? I am told that the Radio Commission is costing $2,000,000 over and above its income from licence fees. I hope I am wrong. It is costing the country $2,000,000 anyway. Therefore, instead of receiving a revenue of $1,000,000 a year, we are paying out $1,000 000. For what? For making the Government very unpopular

There is this further danger. It is said that when French songs and French speeches are heard over the radio in some parts of Saskatchewan and in certain Orange lodges in Ontario, the auditors become so excited that there is grave danger of their dying of apoplexy! The Government might be guilty of manslaughter, at least. Speaking seriously, I believe that radio broadcasting should be put back where it was before it was placed in the hands of the Radio Commission. It is bad enough to have to pay a $2 radio tax each year, without the Treasury paying out $1,000,000 annually. I do not think that is right.

As to the $14,000 income exception, most incomes have been reduced to one-third of what they were a few years ago. Then many men earned much more than $14,000 a year, and maintained their dependents. Now they have the same dependents to maintain, and by the time they have cleared expenses they may have to borrow money to pay income tax. If those who had a good income, on paper at least, in the good old days when the Liberals were in power—for instance, in January, 1930—now have one-third of what they were earning then, they think they are doing well. Therefore I submit the exemption should apply to a much higher figure than $14,000 in justice to those who, as I say, formerly had an ample income, but have not nearly so much to-day and yet have to meet the same charges to maintain their dependents.

Hon. Mr. McMEANS: This is a money Bill from the House of Commons. We cannot amend it at all.

Hon. Mr. CASGRAIN: The honourable gentleman is right.

Hon. Mr. DANDURAND: Has my right honourable friend in mind the total income tax levied last year?

Right Hon. Mr. MEIGHEN: I think, some $80,000,000; but I have not the figures before me.

Hon. Mr. DANDURAND: The right honourable gentleman has given a very illuminating explanation of every clause of the Bill. Since I have heard from my honourable friends to my left and to my right, I cannot help thinking we may well reproach the Government with taking the magnificent income received through the income tax and handing it over to the Canadian National Railways to cover deficits. The Government recognizes its incapacity to solve the problem of railway deficits; indeed, declares so openly. I wonder if we may at least hope that business will recover so rapidly as to wipe out these recurring deficits. I doubt it, and I confess one of my grievances against the Administration is that it is apparently helpless to do anything to solve the problem. We are not even told when the Government expects that it can be solved. If we allow things to drift as they are now drifting, we shall have to add fifty, seventy or a hundred million dollars annually to cover the recurring deficits; which means that the people must be asked to pay more taxes to meet interest on the increased load. I wonder if my right honourable friend could give a ray of hope to the taxpayers.

Right Hon. Mr. MEIGHEN: Honourable members, this is not a Canadian National Railways Bill, nor is it a Radio Bill;—

Hon. Mr. DANDURAND: That I recognize.

Right Hon. Mr. MEIGHEN:—it is an Income Tax Bill. I devote myself first to the honourable member from Rougemont (Hon. Mr. Lemieux). He will observe on page 7 of the Bill a complete exemption with respect to:

(c) gifts or donations to a charitable organization or educational institution in Canada, operated exclusively as such and not operated for the benefit or private gain or profit of any person, member or shareholder thereof.

Consequently the measure offers no discouragement to our universities. On the contrary, they are put in a favoured class, and whereas a wealthy man would have to pay $100,000 on a gift of $1,000,000 to a relative or friend, to a university it is free of tax. Thus encouragement of the most distinct and practical character is offered to those able to make such gifts.

It will be with a consolatory reflection that honourable members will notice the next exception:

(d) gifts or donations made to the Dominion of Canada or any Province or political subdivision thereof.

We now know that we shall not have to pay a tax on any sum of money we give to the Dominion.

The honourable member from Rougemont makes a plea against the cost of the Radio Commission. I cannot come prepared to answer all possible allegations against Government measures and activities. I do not think, from my knowledge of the Radio Commission, that there is any loss at all; indeed, I think there is a revenue to the Commission over and above all its expenditure, except

possibly certain capital expenditure. Nor do I come prepared to argue in favour of the principle of public control of radio broadcasting through the Radio Commission, as against the cost of radio service to the people of Canada when that service is left to private enterprise. But I would recall this to my honourable friend. The problem is a most complicated one, and large considerations are involved looking to the whole future of this tremendous new human activity. The problem is involved to a degree not exceeded perhaps by any other problem facing civilized communities to-day. Some countries have taken one course, some another. We in this country had a committee of the other House consider the whole subject over almost an entire session. The result was a unanimous report. All political parties represented agreed that in Canada the wisest solution was to exercise control through a Radio Commission. That course the Government pursued. I know there were certain objectors, but I never saw an objection which went really to the root of the matter or indicated such a deep study as was given to the subject by that committee.

I am going to venture a prediction. Some day friends of my honourable friend will come into office. I am pleased to see him looking so much improved in health, and I am confident he will be here in the forties and fifties, when that day arrives. I predict that the party which he represents, and which he has adorned for so many years, will, after perhaps some vilification and some questioning, continue the policy of government supervision through a commission similar to that in existence to-day. There is no danger at all that it will depart from this policy. If such is the hope of my honourable friend, it will be dashed. Of course, it will be many years from now before his friends gain power, but mark my words now and judge me by the prediction when the hour comes.

My honourable friend is very strong also for economy. He has always been of that mood. I cannot hold him to account as I could if he had been a member of the late Government. I have not the least doubt that in private he read it many lectures on the extravagance of those times. But I do plead that during the past five years of administration the most extensive and severe economies have been practised. Let him look at the Civil Service roll and compare it with what it was. Let him look at the subventions which have been struck out, and which may account for a certain degree of unpopularity which the Government now suffers. Those are economies. True, they have been offset by new measures, but these are designed to take care of problems such as unemployment, from which we cannot escape. True, the Canadian National Railways are a heavy charge. My honourable friends opposite will please listen while I just remind them that not less than $50,000,000 to $60,000,000 of that charge, or over half of it, is due to the $900,000,000 odd of additional capital poured into that system during their nine years in office. Interest on that sum accounts for over half. The difficulty is indeed great, and the last $60,000,000 is the hardest part of it. But that difficulty is one for which the honourable gentlemen's friends have the responsibility, and if the responsibility should come again to them, as it probably will, far off as it may be, I hope it will come to a party chastened, reformed and regenerated by long years of suffering and penitence.

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

REFERRED TO COMMITTEE

The Hon. the SPEAKER: When shall this Bill be read the third time? Now?

Right Hon. Mr. MEIGHEN: No. I promised the honourable member for North York (Hon. Sir Allen Aylesworth) that I would move to refer this Bill to the Committee on Banking and Commerce. He wishes to make certain representations there. If he desires to make his representations on the third reading I have no intention of preventing him, but if he prefers to go before the committee I shall move that the Bill be referred to the Committee on Banking and Commerce.

The Bill was referred to the Committee on Banking and Commerce.

CUSTOMS TARIFF BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 83, an Act to amend the Customs Tariff Act.

He said: This is a Bill which comes before us annually in one form or another. Clause 1 provides for the admission to favoured nation treatment of any portion of the British Empire or mandated countries.

Hon. Mr. GRIESBACH: That is, British mandated countries.

Right Hon. Mr. MEIGHEN: Yes. I presume that is a corollary of the new trade treaties within the Empire. The latter part of the clause provides for the withdrawal, under the circumstances set out, of any country so admitted.

Section 2 defines the term "Netherlands" and brings in the Netherlands Indies, Surinam and Curacao.

Section 3 provides that the Governor in Council may reduce duties to other countries in return for concessions granted by them.

Clause 4 provides, in respect of spirituous liquors, that if it is made to appear to the Governor in Council that the reduction of the tax upon such liquors is not mirrored by at least an equal reduction to the consumers, the tax may be restored. In this connection, because of some misapprehension on the subject, I want to emphasize the fact that these reductions are not made for the purpose of procuring cheap liquor or reducing the revenue. On the contrary, they are made for the purpose of increasing the revenue.

Hon. Mr. HUGHES: Hear, hear.

Right Hon. Mr. MEIGHEN: It is a remarkable fact that whereas in 1930 we had a revenue of $40,000,000 from liquors, it has diminished to $12,000,000. It is believed—and in this regard a very impressive argument on the subject was made by the honourable senator from King's (Hon. Mr. Hughes) about a year ago—that illicit production has caused a lowering of prices and a reduction of revenues, both provincial and federal. The sole purpose of this provision is to reverse that tendency, and to bring the liquor trade into legitimate channels, where it will be subject to these taxes. This purpose will never be achieved, of course, if local governments charge the public the same prices as they did before. If they do that, the illicit traffic will flourish like a green bay tree. Therefore we say they must charge less.

Hon. Mr. LEMIEUX: The cost has been reduced.

Right Hon. Mr. MEIGHEN: I believe it has.

Hon. Mr. HUGHES: The only trouble is that we do not go far enough in the revision.

Right Hon. Mr. MEIGHEN: Perhaps not.

Clause 5 fixes the new schedule of rates that will apply. It is of considerable length. In the main they are reductions, and I shall not go into the details now.

Another schedule is covered by clause 6. Five items in schedule B are changed: wire, wire rods, cotton velveteen and cotton-back silk-pile velvet, fire brick, and bituminous coal.

Under section 7, schedule C of the customs tariff is amended. This deals with aigrettes, egret plumes, osprey plumes, feathers, quills and the like.

Section 8 provides that the measure shall be deemed to have come into force on the 23rd day of March, 1935, which was the day of the budget speech.

Hon. RAOUL DANDURAND: I simply desire to know about the powers of the Governor in Council, under clause 3, to allow compensation to countries that make reductions in duties on our goods going into those countries. This clause reads:

> The Governor in Council may by Order in Council make such reductions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for concessions granted by any such country or countries.

The right honourable gentleman might tell us what the Government has in view in asking us to enact this legislation. Since the marginal note speaks of "reciprocal concessions," I suppose the purpose is to allow of concessions being made by Order in Council to the neighbouring republic if it gives us a reduction of duty on some of our exports.

I draw the attention of the Senate to the fact that in 1879 Sir John A. Macdonald took power to enable his Government to deal in a similar manner with concessions, should they be granted by the United States. In fact, if my memory does not fail me, all the articles embodied in the Reciprocity Treaty of 1854 were duly enumerated, and the Dominion Government of that day was entitled, if the American Government gave us reductions on those goods, to grant reductions on American goods. That legislation remained on the Statute Book until, I think, 1889, when it was dropped because Sir John Macdonald no longer entertained any hope of the United States reducing the duties on the natural products which we wanted to export.

Perhaps my right honourable friend would tell us if there are any negotiations taking place, and what hope there is that they will mature.

Right Hon. Mr. MEIGHEN: The honourable gentleman discusses this clause as if it were new. I may observe that only the word "concessions" in line 8 is new. At least, I take it to be new, because it is underlined. The fact is that the statute read as follows:

> The Governor in Council may by Order in Council make such reductions of duties on

goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for reductions on Canadian products granted by any such country or countries.

It will be noted that the change is only at the end of the clause. Where previously it said "compensation for reductions on Canadian products granted by any such country or countries," it now reads, "compensation for concessions granted by any such country or countries." This, and this alone, is the difference.

I have not had the time to read the debate in the other House, but I presume there could be concessions without reductions. For example, there might be tariff increases against our chief competitors, or concessions by way of quotas. The means of regulating trade nowadays are so numerous that "reduction" is not a sufficiently wide term to embrace all the concessions that may be made.

Hon. Mr. CALDER: The removal of restrictions.

Right Hon. Mr. MEIGHEN: As my honourable friend suggests, the removal of restrictions would be a concession. All that has been done is to make wider the power to give reductions or concessions in return for concessions, in whatever form they may be.

My honourable friend (Hon. Mr. Dandurand) asks, "What is the progress of negotiations?" I am leader of the Senate, not Minister of Finance, Minister of Trade and Commerce, nor minister of any department. In fact, I concentrate entirely on this body. It is most inappropriate that I should be the confidant of the Prime Minister on taxation and trade matters, which are peculiarly beyond the circumference of our deliberations, whether by law or by custom; consequently I cannot satisfy my honourable friend's curiosity. He can be certain, however, that the Government of the day, even in this the fifth year of its life, has not lost any of its enterprise or energy.

Hon. RODOLPHE LEMIEUX: It is true that the right honourable gentleman is not the confidant of the Prime Minister or the Minister of Finance; nevertheless he is one of the important members of the Government. It is not a portfolio, but his ability, which gives the right honourable gentleman his status or his standing in public life, and as far as that is concerned, we all know that the right honourable gentleman stands second to no one in the Government. Therefore, being the mouthpiece of the Government in this Chamber, he ought to give us perhaps a few more explanations in regard to the negotiations with the United States. Every now and then we read in the papers that Mr. Herridge has been in Ottawa and has returned to Washington, and that something will be made known to the Canadian people at some date, which is not mentioned. Some people think the present Government has not much sympathy for a reciprocity pact between Canada and the United States. I do not know. I am only surmising. I know that if it had been left to my honourable friend the senator from Saltcoats (Hon. Mr. Calder) twenty or twenty-five years ago, or to a younger leader of the Senate when he was a radical fresh from the West, we should expect more sympathy in these matters.

But, really, we are speaking of taxation and reductions in expenditure. Trade, after all, is the soul of government, and if the stream of trade is given a chance to flow, so that we can exchange our products with the United States, and sell our surplus cattle, grain, etc., it will certainly bring to this country the beginning of a prosperity which will develop as years roll by.

It seems to me that the most important declaration the right honourable gentleman had to make to the Senate this afternoon was the one concerning this Bill. We do not object to the changes in the tariff, as contained in the Bill, but as to this little clause which raises the question of reciprocity with the United States, we are entitled, perhaps, to a little more information from the right honourable gentleman. The old prejudice against trading with the United States has gone. To-day, I believe, our people are ready to "truck and trade" with our neighbours, and the sooner we realize this the better for Canada. As long as there is a barrier between Canada and the United States, how can we expect reciprocity? It is true that we have a large trade with the Mother Country, but she is six or eight days removed from Canada, whereas we can deliver and sell our products across the boundary within a few hours. It seems to me, therefore, that the Government might get better results if it exercised a little more ingenuity in relation to our economic relations with the United States. It looks as if the Government were simply marking time. The West is very intent on having the American barrier razed. But there is a feeling that in Toronto, and even in Montreal, there might be some objectors to freer channels of trade. I beg my right honourable friend to remember that public opinion on this question has completely changed and that the country is ripe for a

real reciprocity pact with the United States. The late Mr. Fielding was a good Canadian and a great Imperialist. Yet in 1921 or 1922, when, as Minister of Finance, he was presenting his budget, he included a clause offering reciprocity to the United States. He thus reaffirmed his faith in reciprocal trade relations, although he had been defeated on that issue in 1911. And back in 1879, when the National Policy was introduced, Sir John A. Macdonald himself, the great apostle of protection, embalmed in the Statutes a standing offer of reciprocity. It seems to me that the time has now come for carrying out the promises that have been made and realizing the hopes of the Canadian people by the establishment of reciprocal arrangements with the United States.

Right Hon. Mr. MEIGHEN: This House is undoubtedly entitled to know anything which the other House is entitled to know in respect of the progress or result of negotiations, but no honourable member would suggest that information should be presented here in greater detail or at an earlier date than in the other Chamber. I have looked through the records and I find that I have given to the Senate every particle of information which was given to the other House on this immediate question when the matter was brought up there.

Hon. Mr. LEMIEUX: In the other House there was a long debate on reciprocity in the early part of the session.

Right Hon. Mr. MEIGHEN: Yes, but there was no information given there that I have not voluntarily given to this House.

The honourable gentleman begs of us to be ingenious and resourceful, not merely marking time in this matter of a reciprocal arrangement with the United States. The position of the Government in a general way was very clearly announced some time ago. There are reciprocal arrangements and reciprocal arrangements. Very great care must be taken in this country to see that any arrangement which may be made is acceptable to the people of Canada and is a step forward rather than a step backward. It is possible to have a reciprocal arrangement which would be very detrimental. The manifest truth of that assertion needs no expansion at my hands.

As regards using resourcefulness to get something done, I wonder whether the honourable gentleman's memory is failing him. For nine years he was a distinguished ornament of a party which had pledged its faith to this principle of reciprocity. But where was its resourcefulness? Where was its ingenuity in getting results? The tariff erected against us by the United States was almost twice as high when that party went out of office as when it came in. There was one elevation after another, and finally the Hawley-Smoot tariff of 1930. That did not indicate resourcefulness on the part of the Canadian Government. It is true that Government passed a sort of open-door Bill, which said, "We are ready to meet and talk with you at any time." But no progress was made beyond the mere opening of the door. The American tariff shut out our goods one after another—forty cents a bushel against our wheat, three cents a pound against our cattle. My honourable friend's party showed no resourcefulness, its ingenuity was dormant, it got no results at all; it did not even mark time, but slid backwards. Things got worse year after year and were at their peak of disadvantage to Canada when that party went out of office in 1930. So it is pretty hard to take lessons in resourcefulness and ingenuity from honourable members opposite.

I hope a good reciprocity treaty can be made. Nobody ever talked against truck or trade with the Yankees. All that was just a hallucination, a phrase invented by honourable members opposite. None but honourable members opposite ever used it.

Hon. Mr. LEMIEUX: It was the stock-in-trade argument of 1911.

Right Hon. Mr. MEIGHEN: Certainly it was the stock-in-trade argument of honourable members opposite. But no one else ever used it, no paper ever published it. It was a pure invention. Undoubtedly we should like to trade, but we want an agreement which is fair and just to our country. I venture to say that if an agreement is arrived at—and I personally hope one will be—it will not be of a kind to bring about emaciation of the great highways of this Dominion nor depopulation of our immense fruit areas.

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

THIRD READING

Hon. Mr. DANDURAND: I think there is no desire on the part of honourable members on this side of the House to move an amendment to the Bill, even if we went into Committtee. So I am agreeable to dispensing with the Committee stage.

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

MEAT AND CANNED FOODS BILL

FIRST READING

Bill 25, an Act to amend the Meat and Canned Foods Act.—Right Hon. Mr. Meighen.

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

FIRST READING

Bill 72, an Act to amend the Live Stock and Live Stock Products Act.—Right Hon. Mr. Meighen.

INTERPRETATION BILL

FIRST READING

Bill 74, an Act to amend the Interpretation Act.—Right Hon. Mr. Meighen.

FAIR WAGES AND HOURS OF LABOUR BILL

FIRST READING

Bill 75, an Act respecting Fair Wages and Hours of Labour in relation to Public Works and Contracts.—Right Hon. Mr. Meighen.

SPECIAL WAR REVENUE BILL

FIRST READING

Bill 81, an Act to amend the Special War Revenue Act.—Right Hon. Mr. Meighen.

EXCISE BILL

FIRST READING

Bill 82, an Act to amend the Excise Act, 1934.—Right Hon. Mr. Meighen.

The Hon. the SPEAKER: When shall these Bills be read a second time?

Right Hon. Mr. MEIGHEN: To-morrow.

Hon. Mr. DANDURAND: It is understood that the motion for second reading of these Bills may be made to-morrow, but if we need a little more time to consider them we may have it.

Right Hon. Mr. MEIGHEN: I fancy that most of them will go to a committee. I shall move the second readings to-morrow.

The Hon. the SPEAKER: The Bills will be placed on the Order Paper for second reading to-morrow.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: I wish to remind honourable members that the Banking and Commerce Committee meets immediately after the adjournment of the House.

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

THE SENATE

Wednesday, June 12, 1935.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill O2, an Act to incorporate the Community, General Hospital, Alms House and Seminary of Learning of the Sisters of Charity at Ottawa, Canada.—Hon. Mr. Côté.

INDUSTRIAL DISPUTES INVESTIGATION BILL

REPORT OF COMMITTEE

Hon. F. B. BLACK presented the report of the Standing Committee on Banking and Commerce on Bill 71, an Act to amend the Industrial Disputes Investigation Act, and moved concurrence therein.

Hon. Mr. DANDURAND: Perhaps the right honourable leader would like to explain to the House the reason for the committee's recommendation that the Bill be rejected.

Right Hon. Mr. MEIGHEN: The report recommends that the Bill, which originated as a Government measure in the other Chamber, be not now proceeded with, and gives as a reason that, in effect, it is not in consonance with the spirit and purpose of the Industrial Disputes Investigation Act itself, the aim of which is to effect, by face-to-face consultations and negotiations, friendly settlements of apprehended or existing industrial disputes, and thereby to prevent interference with regular industrial operations and avert possible breaches of the peace.

The purport of the Bill, freed from its rather circumlocutory language, is that even when there is no cause to fear a lockout or strike, if complaint is laid, say, by an individual employer or employee, "that intimidation has been practised or other discriminatory action taken"—these are the words employed in the Bill—the Minister may appoint a board of conciliation for the purpose of trying to effect a settlement: not

necessarily of a dispute threatening a strike or lockout, but more probably of a difference between one section of labour and another, or one employer and another; that is to say, a difference more or less local or domestic, and consequently within the realm of civil rights, which is a provincial jurisdiction. The committee felt that to invite reference of disputes of that kind to a Minister, and thus to impose on him almost a direction to appoint a board unless he could give reasons to the contrary, would not only throw upon him an unnecessary burden, but would place a weapon in the hands of an employer desirous of preventing what he regarded as discrimination by workers, or in the hands of a worker trying to prevent what he thought was discrimination on the part of a labour organization. Aside from any constitutional feature, it was felt that it would be unwise for Parliament to attempt to invade that field, and that such questions should be settled in other ways.

The constitutional feature did interpose itself. It was considered that the establishment of a conciliation board to deal with any such complaint would be entirely foreign to our jurisdiction under the British North America Act, and consequently the power of a board to secure witnesses, or resist interference, or deal with refusal to testify, would be very doubtful. I want to emphasize, however, that neither I nor any other member of the committee expressed the view that the constitutional danger alone was sufficient to warrant us in not proceeding further with the measure. Nor was any final view expressed on that phase. The measure, on its merits, was considered to be unnecessary and unwise, because the Industrial Disputes Investigation Act gives the Minister ample powers in all cases where, in the general public interest, there would be any reason at all for the exertion of efforts at conciliation. That is why the committee acted as it did. I may say it was influenced in no small degree by the judgment of those most closely associated with Labour, not only within this House, but without—by the honourable senator from Parkdale (Hon. Mr. Murdock) and Mr. Tom Moore—who stated definitely that there was nothing in the Bill worth saving. In that I was compelled to agree.

PRIVATE BILL

FIRST READING

Hon. G. V. WHITE introduced Bill S2, an Act respecting the Cornwall Bridge Company.

The Bill was read the first time.

Right Hon. Mr. MEIGHEN.

SECOND READING

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

Right Hon. Mr. GRAHAM: What is it about?

Hon. Mr. WHITE: It is a Bill for an extension of time for the commencement of the undertaking.

Right Hon. Mr. MEIGHEN: What undertaking?

Hon. Mr. WHITE: The construction of the bridge.

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

SUSPENSION OF RULE

Hon. Mr. WHITE moved:

That Rule 119 be suspended in so far as it relates to the Bill intituled: "An Act respecting the Cornwall Bridge Company."

He said: Honourable senators, the object of this motion is to dispense with the seven days' posting required under Rule 119 and thus to permit the Bill to be considered by the Railway Committee at its next meeting.

Hon. Mr. DANDURAND: I understood that this was a Bill for an extension of time.

Right Hon. Mr. MEIGHEN: There is also a motion for a shortening of time.

Hon. Mr. DANDURAND: Has the construction of the bridge gone on, or is the project still in the embryo stage?

Hon. Mr. WHITE: No, the construction has not been proceeded with yet, though from information submitted to me I understand that considerable money has been expended in connection with preparatory work. The date for completion was the 31st of May this year, and the object of the Bill is simply to extend the time a further three years.

The motion was agreed to.

UNITED STATES AIR BASE ON LAKE CHAMPLAIN

ANSWER TO INQUIRY

Before the Orders of the day:

Right Hon. ARTHUR MEIGHEN: Honourable members, yesterday I promised to make a statement with regard to a question put by the honourable senator from Rougemont (Hon. Mr. Lemieux) as to the truth of reports that the United States contemplated establishing an air base on an island in Lake Champlain, and the attitude of the Government of Canada in respect thereto.

There is no information to the effect that such an air base is in actual contemplation by the Government of the United States. I believe the newspaper report was founded entirely on a statement by a member of a committee of Congress which was dealing with the subject. A Bill was passed by Congress and became effective on June 5, authorizing construction of airports and defining areas within which major construction might take place. One of these areas was described as the northeast area, and the purpose of construction there was indicated. Beyond that nothing has been done.

I do not want my words, however, to be interpreted as even an indirect intimation that Canada would be interested, in an international sense, were such construction in prospect. The disposition of this country is to view the matter as entirely one of domestic policy on the part of the United States.

Hon. RAOUL DANDURAND: I may be permitted to add that when, behind closed doors, an expert, I think, of the Admiralty Department, recommended to a committee of Congress that an airport be built near the Canadian border, and the recommendation was published in the press of both countries, the President of the United States declared emphatically it was inconceivable that his Government should consider such a safeguard necessary in view of possible strained relations between the United States and Canada; and his declaration was welcomed on both sides of the line. When I saw a report of the incident in the newspapers, I was reminded of a pungent remark made by Lord Robert Cecil in 1927, after the failure of the Naval Conference at Geneva, where naval experts had dominated the proceedings. He said he believed in experts, but he wanted them on tap, not on top.

Hon. W. A. GRIESBACH: Honourable members, I may be permitted to add a few words to the discussion. In common with the people of Canada, I welcomed the friendly observations of the President of the United States, as repeated by the honourable gentleman who leads the opposite side (Hon. Mr. Dandurand). I think, however, we should try to face the situation in an atmosphere of reality rather than of unreality. Therefore I intend to touch upon an aspect of the matter which has been taken up by the press of this country.

It has been observed by our newspapers that inasmuch as we in Canada have five air bases within 100 miles of the American frontier, we are precluded from discussing in a critical mood the proposal of the United States to establish an air base on an island in Lake Champlain.

First of all, we should get clearly in our minds what sort of air base we are talking about. The air bases in the United States are being established in accordance with a grant of $342,000,000 made by Congress, and are more or less standard in form and construction. The air base that we might expect to see located on an island in Lake Champlain, two and a half miles wide and nineteen miles long, would, on the standard form of construction, accommodate 100 planes, with subterranean aerodromes to protect them against bombing and gas attacks and to provide storage for supplies of oil, gasoline, grease and ammunition, and an establishment to repair planes almost to the point of reconstruction. There would be a garrison of perhaps 4,000 men, since it takes seven men on the ground to maintain one man in the air. There would be in addition powerful searchlight equipment and anti-aircraft gun protection, comprising probably fifty or sixty guns. In point of fact, it would be a large fortified base. The cities of Montreal, Kingston and Ottawa, and all canals, locks and public buildings and institutions within this area would be within the radius of action of that fortified base.

Now, in view of the suggestion put forward that we have already five air bases within 100 miles of the American frontier, it becomes interesting to examine just what these bases are. We have a base at Jericho Beach, with five or six rather wabbly aeroplanes, none of them standard or modern, in charge of perhaps fifteen or twenty men. There are no anti-aircraft guns or searchlight protection. In Winnipeg we have a similar base—seven or eight planes, not standard, not capable of manoeuvering, and ten or fifteen men. In Ontario we have three bases of the same sort. In no sense are these bases comparable with the standard United States bases; they are merely an accumulation of old planes in charge of from half a dozen to a dozen men. It is well that we should have this information in mind when we are discussing the establishment of the United States station on Lake Champlain.

I do not contend for a moment that we have any right to intervene, to object to the establishment of that station. We have a treaty with the United States, known as the Rush-Bagot Treaty, which prohibits fortifications on the frontiers of the two countries, and the use of armed vessels upon the lakes. That treaty has been in operation for more than 100 years. I am not prepared to say

that the establishment of the Lake Champlain base violates the treaty. As the right honourable leader of the Government has said, the establishment of an air base on Lake Champlain is a matter of domestic policy on the part of the United States. I merely draw the attention of the House, first, to the fact that a station established there of the magnitude that I have described would leave Montreal, Ottawa and Kingston completely at its mercy. That is the first fact to be realized. The second fact to be borne in mind is this. When our newspapers talk in comparative terms about the five air bases that we have, they are talking absolute nonsense.

Let me carry honourable members a step further, to the discussion which took place in the committee of Congress to which my honourable friend the leader on the opposite side referred. The ground upon which the station was to be established was discussed quite freely: our incapacity to maintain neutrality. That was the basis of the discussion. Members of that committee frankly dealt with the question which I raised last session, our failure to provide the equipment necessary to maintain our neutrality as a sovereign state. I pointed out that in the event of a conflict between the United States and some other country we might find that our failure to maintain neutrality, our incapacity to carry out our obligation under international law, would necessitate the United States taking steps to protect itself. As I say, that question was raised in the discussion of the Congressional committee, and one of the arguments in favour of the establishment of the station on Lake Champlain was that inasmuch as we could not maintain our neutrality, the United States must protect itself, not against this country—its neighbour—but against our incapacity to maintain neutrality, and the consequences which would flow therefrom. That is the situation which confronts us to-day. That is what all the discussion is about, but it is being camouflaged by our newspapers, for the reason that they do not seem to know any better. I am sorry that in the statement supplied to my right honourable friend by the Government these various aspects of the matter were not raised at all.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

REPORTS OF COMMITTEE

Hon. W. H. SHARPE moved concurrence in the third, fourth, fifth, sixth and seventh reports of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. GRIESBACH.

Hon. Mr. DANDURAND: I should like to draw the attention of my right honourable friend (Right Hon. Mr. Meighen) to the fact that very often such reports contain a financial element. When I led the House I was often reminded that to the representative of the Government appertained the duty to supervise, from a budgetary point of view, any expenditures that might be recommended. The responsibility was then thrown upon my shoulders; I pass it on now to my right honourable friend.

Right Hon. Mr. MEIGHEN: I certainly do not resent the suggestion of my honourable friend opposite. Yesterday I listened carefully when these reports were presented, and I realized that undoubtedly there is a responsibility on the representative of the Government here to watch carefully all expenditures to be authorized by the House. I was in hopes that to-day the honourable senator from Manitou (Hon. Mr. Sharpe) would give us some detail as to these reports, so that we might know to what extent, if at all, the figures contained in them follow the figures of preceding years, what savings, if any, have been effected, what additions have been made, and at what points.

Hon. Mr. SHARPE: I do not think there is very much change. We have been holding the expenses down, and following as nearly as possible the line of previous years. As a matter of fact, the committee has done some very close figuring, and in some respects has improved on what was done previously.

Right Hon. Mr. GRAHAM: Does that mean it is well done?

Hon. Mr. SHARPE: Sure! It is well done.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS—WORK OF COMMITTEE

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, moved the second readings of the following bills:

Bill P2, an Act for the relief of Jean Taggart Harfield.

Bill Q2, an Act for the relief of Lily Usheroff Bruker.

Bill R2, an Act for the relief of Hilda High de Boissière.

Hon. Mr. DANDURAND: Could the Senate secure some information as to the number of divorce petitions that have come before the committee to date, and how many still await adjudication?

Hon. Mr. McMEANS: The list is practically completed. One case is set down for Saturday of this week, which will run some risk of not being put through the Senate and the House of Commons before prorogation. The number of the last report of the Committee on Divorce shows the number of cases that have been heard by the committee.

Hon. Mr. COPP: I think it is thirty-six.

Hon. Mr. McMEANS: Then if the case I have referred to is heard on Saturday, the total will be thirty-seven. I am glad to inform the honourable gentleman (Hon. Mr. Dandurand) that business is falling off.

I may say, for the information of the honourable gentleman who is inquiring (Hon. Mr. Dandurand), that it is extremely difficult to obtain a divorce in the Parliament of Canada if the petition is contested. There are, I believe, only two parts of the British Empire where parliamentary divorces are granted—the Irish Free State and Canada. I believe the only other place in the world where there is parliamentary divorce is Georgia. One reason why it is very difficult to obtain a parliamentary divorce in Canada if the case is contested is that in the other House, where there is no committee on divorce, bills of divorce are referred to the Committee on Private Bills, where they are voted on by gentlemen whose religious principles are similar to those of members of this House who refrain from voting on such matters. In saying this I do not wish to cast any reflection on anybody. I think two of the cases tried by the Senate committee were thrown out there.

Hon. Mr. DANDURAND: Some time ago I suggested that perhaps the situation could be improved if an effort were made to set up a joint committee on divorce, composed of members from both Houses, to sit in judgment on these cases in the same way as our own committee does.

Hon. Mr. McMEANS: I think the suggestion is a wise one. I suggested to the Minister of Justice that the House of Commons should have a special committee on divorce to deal with these matters, rather than that they should be dealt with by the Committee on Miscellaneous Private Bills.

Right Hon. Mr. MEIGHEN: A joint committee would be better.

Hon. Mr. HUGHES: Honourable members, the Chairman of the Committee on Divorce says that the difficulty of getting a divorce bill through, if the case is contested, is one of the reasons why there are so few contested cases. It has been suggested that recently that feature has given rise to collusion in an increased number of applications.

Hon. Mr. McMEANS: Did the honourable gentleman say collusion?

Hon. Mr. HUGHES: Collusion between the parties to a divorce suit—that collusion is now more frequent than formerly. That statement has been made in the press, at all events.

Hon. Mr. McMEANS: Let me correct the honourable gentleman. You cannot have collusion in a contested case.

Hon. Mr. HUGHES: I know. The probability of divorces not being granted gives rise to collusion between the parties in a much larger number of cases than formerly.

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

CRIMINAL CODE BILL

CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill M2, an Act to amend the Criminal Code. —Right Hon. Mr. Meighen.

Hon. Mr. Gillis in the Chair.

On section 1—irrebuttable presumption:

Hon. Mr. DANDURAND: Are not Bills L2 and M2 correlated?

Right Hon. Mr. MEIGHEN: Even though they are related, that need not prevent us from going on with this one now. The explanation of this Bill will be given by the honourable senator from East Ottawa (Hon. Mr. Côté). As to the other Bill, neither I nor the honourable senator to whom I have referred was able to see Mr. Scott.

Hon. Mr. McMEANS: I should like to say a word of explanation in regard to this Bill.

Right Hon. Mr. GRAHAM: Which Bill?

Hon. Mr. McMEANS: Bill M2, an Act to amend the Criminal Code.

When I picked up this Bill and read the words "two persons who, though in fact living in adultery, are living as man and wife," I immediately perceived that it was badly drawn, because if neither of two persons living together as man and wife is married they are not living in adultery.

My amendment covers the case of "two persons who are not married to each other, but are living together as man and wife and reputed to be man and wife, and where the child so affected is the child of the two

persons so living together." I added the words "or either of them."

Upon reading the Act I find that what is proposed by the Bill relates not to the child, but rather to the offences created under the legislation of 1932-33, which provides:

> Every person who, in the home of a child, participates in adultery, or in sexual immorality, or indulges in habitual drunkenness or any other form of vice, thereby endangering the morals of such child or rendering the home of such child an unfit place for such child to be in shall be guilty of an offence and liable, upon summary conviction, to a fine not exceeding five hundred dollars, or to imprisonment for a period not exceeding one year, or to both fine and imprisonment.

In reading that clause it is perhaps a little difficult to say what "child" means. I take it to mean any child. The purpose of the present Bill is to provide that if the child is the child of two persons who, though not married to each other, are living together as man and wife, there shall be no prosecution under the Act.

I think the whole situation is worthy of serious consideration. I am withdrawing the last four words of my proposed amendment, the remainder to be substituted for the proviso in subsection 3 as it appears in clause 1 of the Bill.

Hon. Mr. COTE: Honourable senators, the amendment of the honourable senator from Winnipeg (Hon. Mr. McMeans) makes it almost unnecessary for me to speak to this measure. I may say, however, that since the discussion of yesterday I have had an opportunity of interviewing Mr. W. L. Scott, K.C., who is honorary counsel for the Canadian Council of Child and Family Welfare, as well as for the Canadian Association of Child Protection Officers. It was at the instigation of these organizations that the present amending Bill was submitted. Mr. Scott pointed out to me, and I think properly so, that the aim of section 215, which was added to the Criminal Code in 1919, was not to disrupt homes and enable the Children's Aid Society to add to the number of its wards, but, on the contrary, to reduce the number of those wards. The main purpose was to break up illicit relations and re-establish normal homes, in the interest of children, and thus to avoid the necessity of taking children away from their parents and making them wards of societies, as would otherwise have to be done. Children's aid societies all over Canada have been performing very useful work in re-establishing families. May I read an extract from the last annual report of the Toronto Children's Aid Society, which states that the Ontario Court of Appeal interpreted section 215 of the Code in such a manner as to render it practically nugatory and to make an amendment essential. The report says:

> With reference to our efforts to minimize the making of wards, we cannot omit mention of an important legal decision given during the year, which threatens to offset in the future much of what has been accomplished in this direction. The judgment of the courts in the case of Rex vs. Vahey, appealed by this society for the purpose of clarifying the law, rendered section 215 of the Criminal Code practically inoperative as an aid in the prevention of moral neglect of children. In many serious cases the removal of the child by ward action will now be the only recourse unless some comprehensive amendment is passed by the Dominion Parliament.

Yesterday some of us were under a misapprehension when we thought that this amendment would result in the Children's Aid Society removing children from their homes. As I have pointed out, the purpose is the very contrary, namely the breaking up of illicit relationship and the re-establishment of normal homes where children may be maintained by their own parents.

Right Hon. Mr. MEIGHEN: Is not the right to take away the child founded entirely on provincial legislation?

Hon. Mr. COTE: Yes, the right arises from provincial legislation. In every province of Canada there is legislation giving the Children's Aid Society the right to remove children from their homes if they are living under conditions which imperil their moral welfare.

Section 215 of the Criminal Code has been in operation with good results ever since 1919, when it was passed. Under it the societies have dealt with hundreds of cases every year. Subsection 3, which this Bill would amend, is reprinted in the explanatory note. As honourable members will observe, it provides that in certain circumstances there shall be "an irrebuttable presumption that the child was in fact in danger of being or becoming immoral and its morals injuriously affected and that its home had in fact been rendered an unfit place for it to be in." Unfortunately, the Ontario Court of Appeal recently interpreted that subsection as still leaving to it a certain discretion. In the case which was before the court the children were quite young, and the court said it was unable to find they would be injuriously affected, because they were too young to appreciate what was going on. That decision has rendered the subsection nugatory. So representatives of children's aid societies recommend that what has been considered as the spirit of

the law, ever since 1919, until the recent court finding, should be made definitely effective by an amendment to the code. It seems to me quite proper to follow this recommendation.

I agree with the amendment moved by the honourable senator from Winnipeg (Hon. Mr. McMeans) in lieu of the proviso in subsection 3 as appearing in the Bill. The language in the honourable gentleman's amendment is more apt. I also think he was right in withdrawing the last four words of his amendment as first proposed, namely, the words "or either of them."

Hon. Mr. McMEANS: May I ask the honourable gentleman if it would not be better to strike out the words "and where the child so affected is the child of the two persons so living together"?

Hon. Mr. COTE: If those words had been left in I should have found difficulty in conceiving of a case that could come within the scope of the subsection. It would have applied only to couples who lived together and adopted a child that did not belong to either of them. That does not happen in practice.

Hon. Mr. McMEANS: I think the honourable gentleman misunderstood my question.

Right Hon. Mr. GRAHAM: If my honourable friend from Leeds (Hon. Mr. Hardy) had been present he perhaps would have discussed this question, and more intelligently than I can. Recently he and his good wife, who are deeply concerned with child welfare, bought a beautiful home for the Children's Aid Society in Brockville.

I want to make it clear that I am not opposed to this legislation, which tends to make the law stronger in the interests of children. For a few months—a very brief period, it is true—I was a member of the Ontario Government, and children's aid activities came under my supervision. That was one branch of my work which I regretted leaving, and I have maintained an interest in it.

This measure and the one preceding it on the Order Paper, the Juvenile Delinquents Bill, are pretty closely connected. Although technically the object of this proposed legislation is to reform the heads of families who are living under certain conditions, the underlying motive is protection of the child's welfare. So I think it is quite proper to discuss the interests of children when we are dealing with this measure, although, strictly speaking, the subject should perhaps be discussed on the Juvenile Delinquents Bill.

My only interest in this legislation is to see that children are protected with as little friction as possible, and that in an attempt to get at a man and woman the future of children is not wrecked or to some degree impaired. Some people are very enthusiastic over an idea which they get in their minds; and I do not blame them, because there is no success without enthusiasm. So long as I am assured that the amendment is to benefit children rather than to aid in enforcing the law against men and women who are living as heads of families in certain circumstances, I shall be perfectly satisfied. But I want it made very clear to my mind that protection of the interests of children not only is the object, but will be the result of the legislation.

Hon. Mr. DANDURAND: At this stage I should like to make a comment which will apply to this measure as well as to the Juvenile Delinquents Bill. I think that when any society is recommending some change in our legislation, and a bill is prepared, it would be wise to send the bill to a committee, to whom representatives of the society could describe how the existing law has been working and state the reason for the proposed amendment. It is perhaps too late to follow this course in connection with the measure now under consideration, but I wonder whether the Juvenile Delinquents Bill could not be sent to a committee and representatives of the Children's Aid Society be invited to appear.

Right Hon. Mr. MEIGHEN: When the Juvenile Delinquents Bill comes up for consideration to-morrow, if it seems to me that there is any substantial question at issue, I shall move for reference to a committee. But I should be in doubt as to the proper committee. I keep in mind the admonition of the honourable senator from De Lanaudière (Hon. Mr. Casgrain) that the proper committee for the consideration of all public bills is the Committee of the Whole. No doubt that is true, but persons who are interested cannot be heard in this Chamber. There will be a reference to another committee if that is thought necessary.

The proposed amendment of Hon. Mr. McMeans was agreed to, and section 1 as amended was agreed to.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

MEAT AND CANNED FOODS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 25, an Act to amend the Meat and Canned Foods Act.

He said: Honourable senators, this is a very simple Bill, which we do not need to delay at all. It authorizes the imposition of fees for the inspection of canned fish and shellfish. A tariff of fees has been in effect, but there is doubt as to authority to impose them. Inasmuch as any fees already paid are not recoverable, there is no need of the amendment being retroactive.

Hon. Mr. DANDURAND: Perhaps next session some of us who are privileged to return to this Chamber might ask the Government for a list of the various inspection services that are carried on throughout the country, and study the whole field with a view to saving money by combining some of them. Frequently when we have had before us bills providing for inspection of certain goods it has been stated that no extra cost would be incurred, because the inspection would be done by a staff already in existence. It is generally felt that commissions in this country have increased to a formidable number. Inspectors are even more numerous. All these officials may be doing valuable work, but I think it should be the duty of Parliament occasionally to make a general survey as to what could be done by way of amalgamation. I know there are certain inspections for which a fee is paid, but if anyone asked me to describe the general field covered by inspectors I could give but a very incomplete answer.

Right Hon. Mr. MEIGHEN: I think a committee of this House might well do a useful work by hearing witnesses from the different departments which keep inspectors on duty throughout the country the year round, and by endeavouring to conclude whether or not there should be an amalgamation of services. We have inspection under the Meat and Canned Foods Act, under the Weights and Measures Act, under the Excise Act, under the Live Stock Branch and other branches of the Department of Agriculture, and under branches of various other departments. It is manifest that in certain cases the qualifications required of inspectors are exceptional, but I do not know why a man who can inspect canned meats could not also tell whether scales were right or not. A saving undoubtedly could be made. Possibly if a committee were formed and reported, a bill founded on its report might be introduced here. I suggest to my honourable friend who will be leading the other side next session that he mention the matter early in the session, for it will take up some time.

Hon. Mr. LEMIEUX: Are the fees to be published in special regulations or in the Canada Gazette, or are they set out in the Act?

Right Hon. Mr. MEIGHEN: They are not in the Act. They would be published in special regulations. They would not appear in the Canada Gazette unless the Act so provided.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 72, an Act to amend the Live Stock and Live Stock Products Act.

He said: Honourable members, this Bill is also part of the harvest from the Price Spreads Committee. Its purpose is to carry out a portion of the committee's recommendations. It provides that stockyards of packing companies shall be subject to inspection by the Department of Agriculture the same as public stockyards. It provides also, in co-operation with the provinces, for licensing truckers, and for further inspection of live stock and live stock products. I think the Bill should be referred to the Committee on Agriculture and Forestry, for it is not at all unlikely that interests affected may desire to make representations.

Hon. Mr. DANDURAND: I am sure members of that committee are familiar with live stock and live stock products. I hope other members of the House who may also be interested will take an opportunity of attending the meetings.

Right Hon. Mr. GRAHAM: Meat is one of the chief live stock products, but its inspection is covered by the Act dealing with meat and canned foods. There would appear to be overlapping.

Right Hon. Mr. MEIGHEN: I do not think there is. The purpose of the Meat and Canned Foods Act is inspection from

the standpoint of health. I do not think that is the purpose of this measure.

Right Hon. Mr. GRAHAM: The committee could look into that feature when the Bill is before it.

Right Hon. Mr. MEIGHEN: Yes. The two measures are pretty closely allied, but they are really different. This Bill has to do more with the standardization of products, facilities for sale, and protection of the producer. I am sure the honourable senator from Queen's (Hon. Mr. Sinclair) would be able to explain, probably better than I could, the difference between the two Acts.

Hon. Mr. SINCLAIR: The Live Stock and Live Stock Products Act has to do largely with marketing and offering for sale.

Right Hon. Mr. MEIGHEN: I thought so.

Hon. Mr. SINCLAIR: The Meat and Canned Foods Act is administered by officials of the Health of Animals Branch and pertains more to the adulteration of foods.

I might point out that last session when the Fruit and Honey Act was before us we found that the word "export" was defined to mean interprovincial trade as well as export out of Canada. I see a similar definition is contained in this Bill. I think some other word should be used with respect to interprovincial trade. This should be considered by the committee.

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

REFERRED TO COMMITTEE

Right Hon. Mr. MEIGHEN: I move that the Bill be now referred to the Standing Committee on Agriculture and Forestry.

Hon. Mr. DANDURAND: I hope the chairman (Hon. Mr. Donnelly) will see to it, when he calls his committee together, that the attendance is fairly representative.

The motion was agreed to.

INTERPRETATION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 74, an Act to amend the Interpretation Act.

He said: Honourable members, the purpose of this Bill is merely to correct a clerical error. The Interpretation Act lays down definite rules for the interpretation of our statutes. One of those rules is intended to cover references made in a statute to a statute which later is repealed. It declares in very simple language that the repealed statute shall still be considered in effect in so far as is necessary to give meaning and purpose to the references to it in the unrepealed statute. But there is a clerical error in the first line of paragraph (b) of section 20 of the Interpretation Act. It reads:

> (b) any reference to any unrepealed Act or in any rule, order or regulation made thereunder to such repealed Act or enactment, shall,—

and so forth. Obviously it should read, "any reference in any unrepealed Act." All this Bill does is to change "to" to "in." The paragraph has not the slightest meaning as originally drafted.

Hon. Mr. DANDURAND: I have read this clause. I find it less difficult to understand than the change from "or" to "and" in the Patent Act.

Right Hon. Mr. MEIGHEN: Yes, a great deal less difficult.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

FAIR WAGES AND HOURS OF LABOUR BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 75, an Act respecting Fair Wages and Hours of Labour in relation to Public Works and Contracts.

Hon. Mr. DANDURAND: In what particular does the Bill modify the Act?

Right Hon. Mr. MEIGHEN: This is another of the blessings that flow from the Price Spreads Committee. It repeals the Fair Wages and Hours of Labour Act passed in 1930.

Hon. Mr. GRIESBACH: The Fair Wages and Eight Hour Day Act, 1930.

Hon. Mr. DANDURAND: The title will be found in section 7.

Right Hon. Mr. MEIGHEN: Yes, section 7. The Fair Wages and Eight Hour Day Act of 1930 provided for an eight-hour day and a forty-four-hour week on all public works under the authority of the Parliament of Canada. This Bill re-enacts many of the same provisions, but it goes further. It implements the findings of the Price Spreads Committee

by providing that the conditions of work which under the old Act were applicable to constructions directly under the authority of the Parliament of Canada shall be applicable also to constructions assisted by Government guarantees, loans, or subventions.

Right Hon. Mr. GRAHAM: I have a distinct recollection of insisting that the fair wage clause be inserted in contracts for railroad or canal construction whenever the Government contributed to the cost, although there was no provision to that effect in the statutes. This Bill will make legal what I sought to accomplish years ago.

Right Hon. Mr. MEIGHEN: This has to do also with hours of labour, and so on.

Right Hon. Mr. GRAHAM: Yes.

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

SPECIAL WAR REVENUE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 81, an Act to amend the Special War Revenue Act.

He said: The purpose of this Bill is to impose a tax on cigar and cigarette lighters. Some sinister minds may think it has to do with protection of the match industry.

Right Hon. Mr. GRAHAM: It looks like that.

Right Hon. Mr. MEIGHEN: That is quite wrong. It is so repugnant that it just wars against the truth. The sole purpose of the Bill is to protect the revenue of Canada. The excise revenue from matches has decreased far more than one would expect, owing to use of these devices. Other countries have found it necessary to protect their revenue, Great Britain having imposed a shilling tax and France a tax of thirty-two cents. Canada in its magnanimity imposes a tax of only ten cents.

Right Hon. Mr. GRAHAM: That is more than most lighters are worth.

Hon. Mr. LEMIEUX: The lighter itself is made of material which is taxed, and the gasoline used in it is also taxed. Now the device is supertaxed.

Right Hon. Mr. MEIGHEN: The tax will still be small, though.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

EXCISE BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 82, an Act to amend the Excise Act, 1934.

He said: Honourable members, one of the purposes of this Bill is to reduce the excise tax on spirituous and malt liquors, and to eradicate, as far as possible, illicit or bootleg dealings in these articles. The real object of the Bill, of course, is to try to protect the revenue, which has suffered from impairment and almost annihilation by reason of the illicit traffic in liquor.

I am informed that since the date of the budget speech, when the reduction of duties went into effect, the governments retailing these articles have made proportionate reductions to the consumer. This is essential, not that the people may have cheaper liquor, but that the purpose of the Act may be realized, namely, that the price of liquor may become so reasonable that the bootlegger will have no incentive to carry on his trade.

Certain other reductions of a minor kind are still to be made, but a bill has already been passed under which the Governor in Council has power whereby, if reductions in price do not equal the reduction in duty, the old charges may be restored in respect of any offending province.

Hon. Mr. DANDURAND: This Bill has a double advantage: it suits those who want cheaper liquor, and it suits those who are opposed to bootlegging.

Hon. Mr. SINCLAIR: Do I understand that if any one province does not purvey cheaper liquor it will be subject to a higher duty? How are we going to enforce a law of that kind? I do not see how we can charge one part of Canada higher duties than those charged to another. I think the higher duty would have to be imposed on the whole of Canada.

Right Hon. Mr. MEIGHEN: The Bill speaks for itself. It may be that my honourable friend is right. The other measure, to which I referred yesterday, speaks for itself in this way:

> In the event of any duty imposed under this Act upon spirituous or alcoholic liquors having been reduced, if it is made to appear to the Governor in Council that in any province the prices of such goods to the consumer have not

been reduced to, or are not being maintained at, levels which will give the consumer the full benefit of any such reduction, the Governor in Council may order that such reduction shall be no longer in effect and, upon publication of such order in the Canada Gazette, the full rates of duty theretofore payable on such goods shall again be in force and effect.

Apparently the offence of one province will cause a removal of the reduction throughout the whole of Canada. The Minister of Finance said in the other House:

I can assure my honourable friend, however, that in those instances where the provinces have not carried out the full spirit of the Act, it will be our purpose to see that they do.

I do not know just what the weapon will be, other than the general provision here.

Hon. Mr. LEMIEUX: A gentle warning.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PROROGATION

On the motion to adjourn:

Hon. Mr. LEMIEUX: Before we adjourn, may I ask the right honourable gentleman if there is any hope of an early prorogation?

Right Hon. Mr. MEIGHEN: The answer is in the affirmative.

Hon. Mr. LEMIEUX: Is that a pious wish, or a pious hope?

Right Hon. Mr. MEIGHEN: I wish I could say more, but I do not think I can be more definite.

Right Hon. Mr. GRAHAM: We ought to apply the Interpretation Act.

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

THE SENATE

Thursday, June 13, 1935.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill S2, an Act respecting the Cornwall Bridge Company.—Hon. G. V. White.

INCOME WAR TAX BILL

REPORT OF COMMITTEE

Hon. Mr. BLACK moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 80, an Act to amend the Income War Tax Act.

He said: Honourable senators, there are certain amendments.

Hon. Mr. LEMIEUX: What amendments?

Hon. Mr. BLACK: On page 7, line 12, after the word "gift" insert "in whole or in part." The amendments are comparatively trivial, except for the third amendment, which is:

Page 8, line 10, add the following immediately after clause 17, as new clause 18:
"All actions pending at the time when this Act comes into force shall be decided as if this Act had not been passed."

The motion was agreed to.

MOTION FOR THIRD READING POSTPONED

The Hon. the SPEAKER: When shall this Bill be read the third time?

Right Hon. Mr. MEIGHEN: I should like to have the third reading of this Bill deferred. Objection has been raised to the use of the word "films" in the twelfth line, page 5. I want to take the objection into consideration, and so would ask to have the Bill stand, in the hope that I may be able to move the third reading before we rise to-day.

Hon. Mr. DANDURAND: The debate on the motion for the third reading is adjourned?

The motion for third reading was postponed.

POST OFFICE BILL (NEWSPAPER OWNERSHIP)

REPORT OF COMMITTEE—CONSIDERATION POSTPONED

Hon. Mr. BLACK moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 50, an Act to amend the Post Office Act (Newspaper Ownership).

Hon. Mr. MURDOCK: Next sitting of the House, please.

Consideration was postponed.

LAW CLERK OF THE SENATE

REPORT OF COMMITTEE ON BANKING AND COMMERCE

Hon. Mr. BLACK moved concurrence in the following report of the Standing Committee on Banking and Commerce:

The Standing Committee on Banking and Commerce beg leave to report that the work of the committee is such that legal assistance is essential, and recommend that representations be made to the Government to forthwith restore the salary for the vacant position of Law Clerk of the Senate, in order that the vacancy may be filled.

All which is respectfully submitted.

He said: For the information of honourable members who have not been present at the meetings of the Banking and Commerce Committee I would explain this recommendation. Formerly the Senate had a Law Clerk, in the person of one Mr. Creighton, who did very valuable work. Since his departure we have had no such official. For three or four years we depended upon an official sent to us from the Department of Justice, but the arrangement did not prove satisfactory, and for the past three years Mr. W. F. O'Connor has rendered very valuable services to the committee in the capacity of draftsman and legal adviser. Members of the legal profession will be much better able than I to say how valuable his services have been. I consider them to have been excellent. At all events, without a legal adviser whose services are at the disposal of the Senate at all times, we find ourselves greatly handicapped, and the right honourable leader of the Senate has to do many things that he should not be asked to do. For this reason we desire that the Senate should request the Government to appoint a permanent official.

Hon. Mr. MURDOCK: It is not my purpose to take exception to the motion, but I should like to draw attention to the fact that yesterday we adopted a recommendation of the Standing Committee on Internal Economy and Contingent Accounts cancelling the position of "Secretary, Law Clerk's Branch"—

Hon. Mr. BLACK: That is the secretary.

Hon. Mr. MURDOCK: And substituting, "Senior Committee Clerk."

Right Hon. Mr. MEIGHEN: That abolished the position of Secretary of the Law Clerk's Branch and substituted another position. The position of Law Clerk still exists, but for some years there has been no appropriation made to enable us to fill it, and we have had to get on as best we could.

Hon. Mr. BLACK: I think it is only fair to say that I mentioned this matter to the Chairman of the Committee on Internal Economy and Contingent Accounts, and it was suggested that as the services of a Law Clerk were required more frequently by the Committee on Banking and Commerce than by any other, the recommendation should be made by that committee.

Hon. Mr. DANDURAND: I have been a member of this Chamber long enough to know the importance of a Law Clerk of the Senate. For a number of years we wondered what we should do when Mr. Creighton left us, for he had no assistant who was prepared to step into his position. At one time it was proposed that there should be a Law Clerk of the two Houses, but this was rejected by the Senate, I think unanimously, it being thought unwise that the Senate should not have a Law Clerk of its own. The reason will, I think, be obvious—that it is the duty of this Chamber to revise measures which come from the other House and have been approved by the Law Clerk of that House. A duty which the Senate holds to be specially its own is that of keeping a watchful eye over the rights of the Federal Parliament and of the provinces, with a view to preventing conflicts of jurisdiction. For instance, during a number of years we frequently had before us railway legislation in which the question of provincial jurisdiction was very important. That question was often lost sight of in another place when the measures were being considered, but the Law Clerk of the Senate knew exactly the views of this Chamber and notified our committees when there was any trespass upon provincial rights, which we were safeguarding. As to the value of any bill which comes from the other place, a Law Clerk of the Senate would be much freer to express an opinion for our guidance than would a Law Clerk who had already given a favourable opinion upon it. For these reasons the Senate has always considered it necessary to have its own Law Clerk, upon whom it could depend for advice. I still agree with that view.

Hon. Mr. CALDER: May I inquire as to how the appointment of a Law Clerk is made? Let me say that, speaking generally, I thoroughly agree we should have a legal adviser for the Senate. I suggest an additional reason to those that have been mentioned. At the present time there is no one to whom we can apply when we require assistance upon a legal point. If any honourable member wanted to draft a resolution and be sure it was in proper form he could go to the Clerk of the House or one of the other officers, but there might be some legal aspect which should be considered. There ought to be on the staff someone to whom every one of us would feel free to go when requiring assistance along such a line.

My real reason for rising was to inquire how the appointment would be made. Would it be made by the Civil Service Commission,

by our Internal Economy Committee, or by the Government? Speaking from experience, I can say that in connection with preparation of statutes nothing is more important to a legislative body of this kind than that it have a first-class legal adviser, and particularly one who knows how to draft bills. People with the best qualifications for that work are, in a sense, not made; they are born. Good draftsmen of statutes are exceedingly rare. So I trust that if an appointment is to be made, this fact above all others will be taken into consideration. We wish to have not merely a legal expert or adviser, but the proper kind of man for our work. And the necessary steps should be taken to secure one.

Right Hon. Mr. MEIGHEN: Honourable members, I am in agreement with the report and with what has been said by the honourable senator opposite (Hon. Mr. Dandurand). I wish now to say a few words on the remarks of the honourable senator to my left (Hon. Mr. Calder).

Without doubt we should have an independent Law Clerk. Three years here have convinced me of that. As a matter of fact, we have had one, in a fashion. But we have not enjoyed the full benefit of his services because it has not been possible for him to make himself available at all times for consultation by honourable members. He is not here between sessions, when he might well be very useful. Furthermore, we have had to draw on contingencies. The arrangement has been entirely unsatisfactory; certainly I think it has been so to him.

Now, the all-important question is who the Law Clerk shall be. I would rather have none at all than not get someone who we know is of real value. The appointment, I understand, comes under the Civil Service Commission. I express no want of confidence in the Commission, but necessarily we who have had experience know a great deal better than it possibly could what are the essential qualifications for the position. I am told the Commission has power to delegate its authority to this House, and that it has done so in parallel cases. When the money is voted—of course there is no use in doing anything until it is voted—we shall ask that the appointment be left to the House. No one can have any doubt as to my intention, and I am sure it will meet with the full approval of both sides of this Chamber.

Some Hon. SENATORS: Hear, hear.

The motion was agreed to.

CIVIL SERVICE GRADE IV

ALLEGED DISCRIMINATION

Before the Orders of the Day:

Hon. CAIRINE R. WILSON: I should like to ask a question of the right honourable leader of the House. Yesterday I received a communication from the Canadian Federation of University Women, saying that according to their information there was to be established in the Civil Service a new class, Grade IV, to which university graduates above the average standing would be eligible without having to pass through the junior clerkships, but that the appointments would be restricted to men. The Federation desire that this unfair discrimination be inquired into.

Right Hon. Mr. MEIGHEN: I have no knowledge at all of the proposed grade, nor, of course, of the proposed distinction. I shall inquire into the matter and make a reply next Tuesday.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Sir Lyman P. Duff, Chief Justice of Canada, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 5 p.m. for the purpose of giving the Royal Assent to certain bills.

PRIVATE BILL

REFUND OF FEES

Before the Orders of the Day:

Hon. Mr. COTE: Before the Orders of the Day are called, I move:

That the parliamentary fees paid on Bill O2, an Act to incorporate the Community, General Hospital, Alms House and Seminary of Learning of the Sisters of Charity at Ottawa, Canada, be refunded to the solicitor of the petitioner, less printing and translation costs.

In explanation I may say that the purpose of this Bill is to incorporate a religious and educational institution, and in such cases it is usual to remit the parliamentary fees, less, of course, the cost of printing.

Right Hon. Mr. MEIGHEN: Has this been adopted by the committee?

Hon. Mr. COTE: The Bill has been read the third time.

Right Hon. Mr. MEIGHEN: But has the recommendation been before a committee?

Hon. Mr. COTE: No.

Right Hon. Mr. MEIGHEN: Is not that the right way to proceed?

Hon. Mr. COTE: I understand that a motion may be made in the House.

Hon. Mr. PARENT: So that there may be no trouble about this Bill, which is a very important one, may I ask the honourable gentleman whether the Archbishop of Ottawa and the Cardinal have any knowledge of it?

Hon. Mr. COTE: In answer to the honourable gentleman I may say that I am in complete ignorance of the attitude of His Excellency the Archbishop of Ottawa and of His Eminence the Cardinal with respect to this Bill. It was read a third time, and passed, by this House yesterday. My motion simply goes to the question whether we should follow the usual practice by remitting the parliamentary fee to this corporation, which is a charitable institution.

The right honourable the leader of the House has asked whether this motion is based on a report of a committee. My answer is no. The solicitor in charge of the Bill has requested me to make the motion.

Right Hon. Mr. MEIGHEN: Having no knowledge at all of the rule, I asked whether a committee had made the recommendation. No doubt my honourable friend has looked up the rule, and if the honourable the leader of the other side (Hon. Mr. Dandurand), who knows a great deal more about the practices of this House than I do, says that this proposal is in accordance with the rule, I have no objection to the motion. In the case of bills on behalf of charitable, religious and educational institutions or associations, is it the rule to remit the fee, less the cost of printing?

Hon. Mr. DANDURAND: As to similar cases that have come before the Senate, it is my impression that the answer is in the affirmative.

Right Hon. Mr. MEIGHEN: Very well. Let it go.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. McMEANS, Chairman of the Committee on Divorce, moved the third readings of the following bills:

Bill P2, an Act for the relief of Jean Taggart Harfield.

Bill Q2, an Act for the relief of Lily Usheroff Bruker.

Bill R2, an Act for the relief of Hilda High de Boissière.

Hon. Mr. PARENT: I should like to make just one remark about the de Boissière case. The respondent in this case was present at the meeting of the committee when the evidence was heard, and assented to everything that took place. It would appear to me, therefore, that there was collusion, and I do not know whether we should pass the Bill.

The motion was agreed to, on division, and the bills were read the third time, and passed.

CRIMINAL CODE BILL

THIRD READING

Bill M2, an Act to amend the Criminal Code.—Right Hon. Mr. Meighen.

JUVENILE DELINQUENTS BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill L2, an Act to amend the Juvenile Delinquents Act.—Right Hon. Mr. Meighen.

Hon. Mr. Donnelly in the Chair.

On section 1—summary trials:

Right Hon. Mr. GRAHAM: Did we not have some amendments?

Right Hon. Mr. MEIGHEN: No. I was not able to explain the Bill to the Committee on Tuesday.

Section 1 is unchanged but for a parenthetical exception in the proviso, which reads:

Provided further, that—

Then follows the parenthetical exception.

—save as provided in section thirty-three hereof—

And the proviso continues:

—section one thousand one hundred and forty of the Criminal Code shall, mutatis mutandis, apply to all proceedings in the Juvenile Court.

Section 33 of the Code is quite lengthy.

Hon. Mr. DANDURAND: The right honourable gentleman might give the gist of it.

Right Hon. Mr. MEIGHEN: It provides that adults who contribute to delinquency of children shall be liable, and it fixes the liabilities and penalties of parents and guardians. It will take only a moment to read it. It says:

(1) Any person, whether the parent or guardian of the child or not, who, knowingly or wilfully,

(a) aids, causes, abets or connives at the commission by a child of a delinquency; or

(b) does any act producing, promoting, or contributing to a child's being or becoming a juvenile delinquent or likely to make any child a juvenile delinquent;

shall be liable on summary conviction before a Juvenile Court or a magistrate to a fine not exceeding five hundred dollars or to imprisonment for a period not exceeding two years or to both fine and imprisonment.

(2) Any person who, being the parent or guardian of the child and being able to do so, knowingly neglects to do that which would directly tend to prevent said child being or becoming a juvenile delinquent or to remove the conditions which render or are likely to render said child a juvenile delinquent shall be liable on summary conviction before a Juvenile Court or a magistrate to a fine not exceeding five hundred dollars or to imprisonment for a period not exceeding two years or to both fine and imprisonment.

(3) The Court or magistrate may postpone or adjourn the hearing of a charge under this section for such periods as the Court may deem advisable or may postpone or adjourn the hearing sine die and may impose conditions upon any person found guilty under this section and suspend sentence subject to such conditions, and on proof at any time that such conditions have been violated may pass sentence on such person.

By the second proviso contained in clause 1 of the present Bill we are amending that section of the Juvenile Delinquents Act which established summary trials for these offences.

Section 1140 of the Criminal Code, respecting limitation of actions, is to apply except where it conflicts with section 33 of the Act; and it will be observed that section 33 gives certain powers to make conditional adjournments and conditional releases, which powers would not be obtained from section 1140 of the Code. The result of the amendment is that these powers are preserved.

Section 1 was agreed to.

On section 2—probation officers under control of judge:

Right Hon. Mr. MEIGHEN: Section 2 places all probation officers under control of judges. These officers have always been under such control except in the province of Alberta. Why there was an exception there I cannot tell. At any rate, Alberta is henceforth to be in the same position as all other provinces in this respect.

Section 2 was agreed to.

On section 3—no defence if child does not become delinquent:

Right Hon. Mr. MEIGHEN: The third clause is of some importance. Mr. Scott has written me fully about it. The subsection to be repealed reads as follows:

It shall not be a valid defence to a prosecution under this section that notwithstanding the conduct of the accused the child did not in fact become a juvenile delinquent.

At first sight one would think that was quite sufficient. But Mr. Humphries, Deputy Attorney-General of Ontario, has taken the view that it is not strong enough, and he wants it worded this way:

It shall not be a valid defence to a prosecution under this section either that the child is of too tender years to understand or appreciate the nature or effect of the conduct of the accused, or that notwithstanding the conduct of the accused the child did not in fact become a juvenile delinquent.

One can see the difference at a glance. Under the present Act, in a case where it could be shown that at the time of the alleged offence the child was of such tender years that it was not likely to become a juvenile delinquent, the accused escaped. But the amendment will cut off that avenue of escape. In future the accused will be barred from pleading either that the child did not actually become a juvenile delinquent—as would be the case if it was too young—or that the child was too young to realize what was going on. I think I have now succeeded in understanding the Bill, and I hope I have been able to make it plain to the Committee.

Right Hon. Mr. GRAHAM: What would be the interpretation of the words "father" and "mother"? Would a step-father come under this statute?

Right Hon. Mr. MEIGHEN: Oh, yes. A step-father would be a guardian, and he must so conduct himself as not to contribute to the delinquency of a child. That obtains under the present law, and will continue to obtain after this Bill is passed.

Section 3 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

INCOME WAR TAX BILL

MOTION FOR THIRD READING FURTHER POSTPONED

Right Hon. Mr. MEIGHEN: The Chairman of the Committee on Banking and Commerce (Hon. Mr. Black) has been giving consideration to the objection raised in respect of the word "films" in the 12th line on

page 5, section 9, of Bill 80, the Income War Tax Bill. People interested in films want this word stricken out. If it is retained it will mean a change in the law respecting the tax on transmission of earnings from the rental or licence of films in Canada to foreign owners. The Chairman of the Committee has been unable to get from the Department of Finance such word as would permit us to make an intelligent recommendation; so I think, to prevent any complaint, the motion for third reading had better be postponed until Tuesday next.

The Hon. the SPEAKER: The Bill will be placed on the Order Paper for third reading on Tuesday next.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn during pleasure:

Right Hon. Mr. MEIGHEN: Between now and 5 o'clock, when we shall meet for the Royal Assent, the Committee on Banking and Commerce will be sitting.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Sir Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to amend and consolidate the Acts relating to Patents of Invention.
An Act to amend the Customs Tariff.
An Act for the relief of Ray Leitman Aronoff.
An Act for the relief of Agnes Mabel Potter Brockwell.
An Act for the relief of John Henry Ley.
An Act for the relief of Emma Gelfman Goldman Stokolsky.
An Act for the relief of Albertine Roberte Montpellier de Beaujeu.
An Act for the relief of Mary Frances Isobel Brown Gauthier.
An Act for the relief of Amy May Wells Gorman.
An Act for the relief of Charles Michael McGuire.
An Act for the relief of Isabelle Hume Sadlier Rice.
An Act for the relief of Nora Ellen Moore McCabe.
An Act for the relief of Hildur Emilia Hill Soucy.
An Act for the relief of Ethel Ellis Callow Randles.
An Act to create employment by public works and undertakings throughout Canada and to authorize the guarantee of certain railway equipment securities.

An Act to amend the Meat and Canned Foods Act.
An Act to amend the Interpretation Act.
An Act to amend the Special War Revenue Act.
An Act to amend The Excise Act, 1934.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

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

The House of Commons withdrew.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, June 18, at 3 p.m.

THE SENATE

Tuesday, June 18, 1935.

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

Prayers and routine proceedings.

DIVORCE BILL

FIRST READING

Hon. Mr. ROBINSON introduced Bill T2, an Act for the relief of Dora Eleanor Mathieson Campbell.

He said: I am presenting this Bill immediately upon the adoption of the committee's report, in order to save time. It is so near the end of the session—

Right Hon. Mr. GRAHAM: How do you know?

Hon. Mr. ROBINSON: Perhaps I spoke without knowledge. But we are hoping it is. At any rate, as there is danger that we may be near the end of the session, the committee would like unanimous consent to have this Bill passed at once, so that it may be sent on to the other House.

The Bill was read the first time.

SECOND READING

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

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

MOTION FOR THIRD READING POSTPONED

Hon. Mr. ROBINSON: With the leave of the Senate, I should like to move the third reading.

Right Hon. Mr. MEIGHEN: Is there any particular object in having the third reading given the day the report is received? Some honourable member might want to give the matter consideration.

Hon. Mr. ROBINSON: The only reason for wanting the Bill passed to-day is the possibility that any delay might prevent the measure from getting through the Commons. If the right honourable leader thinks there is plenty of time before prorogation, we do not need to give third reading to-day.

Right Hon. Mr. MEIGHEN: I should think there is time enough left to insure consideration of this Bill.

Hon. Mr. DANDURAND: There is a certain advantage in, and perhaps a necessity for, a study by the Senate of bills in general —I am not speaking of this one particularly —after they have been considered by a committee. I have known of a report being brought in and adopted and the bill in question given third reading on the same day. In such a case our Minutes contain no record of the measure until it is passed.

Hon. Mr. ROBINSON: I will postpone the motion for third reading until to-morrow.

FAIR WAGES AND HOURS OF LABOUR BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented the report of the Standing Committee on Banking and Commerce on Bill 75, an Act respecting Fair Wages and Hours of Labour in relation to Public Works and Contracts, and moved concurrence therein.

Right Hon. Mr. MEIGHEN: I do not think the amendments can be said to be important. The first amendment makes more certain that the effect of the Bill as to wages shall continue throughout the continuance of a contract, and so permit of adjustments from time to time. The second amendment relates to a clause which enables the Governor in Council in special cases to exempt a contract from the effect of the Bill. It provides that such exemption must be made before the contract is executed.

Hon. Mr. MURDOCK: Honourable senators, I think that generally the Bill as amended is somewhat improved, but in respect to the last three lines in section 8 I do not think I should be doing my duty if I did not bring to the attention of honourable members what, from my experience, I believe will be the result of the amendment. Section 8 reads:

> This Act shall come into force on the first day of May, 1936, but shall not apply to any contract with the Government of Canada existing at the said date, nor to any contracts, agreements or works thereafter made or undertaken which are by order of the Governor in Council declared to be excepted from the operation of the provisions of this Act.

What is possible under that language? Whether a Liberal or a Conservative Government is in power, the door is wide open for its friends to come and ask: "Give us a show here; don't exact from us the full application and operation of this measure." I do not say the Governor in Council will comply with the request, but there is full opportunity for the Government to favour its friends instead of treating all contractors alike, as I think every honourable senator expects. I repeat, the language leaves the door wide open for the Governor in Council to be influenced to grant special favours. I have no objection to the other sections of the Bill.

Right Hon. Mr. MEIGHEN: The honourable senator raised the same objection before the committee. At first I felt disposed to agree with him that the licence to exempt was rather too wide; that at all events there was sufficient power of exemption in clause 3 in cases of emergency. When, however, it was pointed out that that power of exemption applied only to the time feature—

Hon. Mr. MURDOCK: The hours.

Right Hon. Mr. MEIGHEN: —the hours, my view altered, and I felt we could not very well take the responsibility of putting it beyond the power of the Governor in Council to exempt as respects the wage feature. I do not know that I could give an impressive instance of a situation in which the Governor in Council would be justified in making such an exemption. As respects hours, one could easily do so. It may be that in the far North men would much rather work longer hours—being paid for their time, of course—and get the work finished. This feature was brought home to the committee in its consideration of another bill. Mine operators emphasized the fact that men in the north country had nothing to do and nowhere to go in their off time, and were desirous, therefore, of working longer hours in order to make all the money they could while they were there. A similar condition might prevail in the case of a contract. I realize that this would not apply to rates of wages, but I do not like to take the responsibility of saying there could not be a case in which exemption would be demanded by the workmen as well as by the contractor.

I do not think there is danger of any Government opening the door to anything like a general exception. To do so would be to defy Parliament in a most vital matter. Parliament has here laid down a principle, and governments would need to have special reasons for making an exception from a measure of this kind. The exception would be unpopular; compliance with the provisions of the Bill would be popular. Governments seek to be popular. But as there could be instances, it seems to me, in which the men as well as the company might desire to be excepted, the door should not be entirely closed, especially during the early operation of the Act. If the door were closed we might encounter more difficulties than we otherwise should. This was my only reason for agreeing to let the Bill go through in its present form. At first I was of the same opinion as the honourable gentleman.

Hon. Mr. MURDOCK: Could the right honourable gentleman tell us why this new provision is inserted? It was not in the old Act. What is it for?

Right Hon. Mr. MEIGHEN: I know what it is for, but at the moment I cannot think of a situation in which it could be used with respect to rates of wages. As I say, I can so far as hours are concerned. I am informed that this provision was inserted in the Bill in Council. It may be that what they had in mind related to hours, not wages, and that they did not realize that hours were covered by clause 3. I feel they probably had in mind instances in which it would be necessary. I am not afraid of any Government using this clause to defeat the purpose of the measure in the slightest degree.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PRINTING OF PARLIAMENTARY DOCUMENTS

REPORT OF COMMITTEE

Hon. G. V. WHITE presented the first report of the Joint Standing Committee on Printing, as follows:

Your Committee has considered the attached list of documents and papers tabled in the Senate and House of Commons and recommends that the said list be not printed.

Hon. Mr. PARENT: May I point out to the honourable gentleman that there are certain highly valuable works which should be reprinted. For instance, there is a volume containing a very fine work done by one department with regard to the birds of Canada and their classification. It is possible to get a copy of that in French, but I am told that there are no more copies of the English edition available. I wonder if the Committee on Printing would look into this matter and see if this fine work can be distributed more widely.

The Hon. the SPEAKER: When shall this report be taken into consideration?

Hon. Mr. WHITE: To-morrow.

Hon. Mr. MURDOCK: In the meantime this list will be printed, and we shall have an opportunity of seeing what documents are referred to.

Right Hon. Mr. MEIGHEN: This is a list which the committee recommends be not printed.

Hon. Mr. MURDOCK: But a list of the documents that are not to be printed will appear in our Minutes, will it not?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. WHITE: As I understand it, no order was given for the printing of any of the documents that were submitted.

Hon. Mr. MURDOCK: Every honourable member will probably want to see what documents the committee recommends be not printed. I probably shall agree with the recommendation, but first of all I should like to look over the list.

Hon. Mr. PARENT: May I make an additional remark? Lately I applied to the Department of the Interior for a copy of the work referred to, and I was told that I could not obtain it. Contrary to the custom that has generally prevailed, I could not get a copy unless I paid two dollars, or whatever the price was. I was informed that the English edition had been exhausted, but that a few copies in French were available. The book itself is very valuable, a credit to the departmental officers who prepared it and to the persons who published it. It is an educational work, which I wish were much better known.

Right Hon. Mr. MEIGHEN: What is the title?

Hon. Mr. PARENT: The Birds of Canada. It is very valuable.

The Hon. the SPEAKER: The report will be taken into consideration to-morrow.

CONVENTION FOR REGULATION OF WHALING

RESOLUTION OF APPROVAL

Right Hon. ARTHUR MEIGHEN moved:

That it is expedient that Parliament do approve of the International Convention for the Regulation of Whaling signed at Geneva on the twenty-fourth day of September, 1931, and that this House do approve of the same.

He said: Honourable senators, the convention appears on the Order Paper, and, I have no doubt, has been read by all honourable senators. It covers a kind of world-wide regulation of the whaling industry. That industry has been pretty much under the control of two nations: Great Britain, which can usually be found active in all matters of far-flung trade, and Norway. Whales are sought for oil; for other purposes too, but almost wholly for oil. The supply, like that of all things found on the land and in the water, has its limitations. Until the beginning of this century nations had little cause for apprehension as to there being a sufficient supply of whales for all commercial purposes. For example, from the time of Confederation until the year 1900 the total number of whales caught in the world was 20,025. Those were caught mainly in the Antarctic, which is for the most part the home of the whale. But during the ten years before the War the number of whales killed averaged more than 12,200 annually; and from 1920 to 1932, up to the time when the nations began to see that something must be done, the annual catch ran over 22,500. Indeed, in 1930, which was the year of maximum production of whale oil in the world, the catch reached the tremendous total of 40,000.

The result of killings on so large a scale has been a serious depletion of these animals in the waters of the world. Accompanying this depletion there has been a surplus of the product, so that the peoples of civilization now find themselves in much the same position as Canada is in with respect to her pulp and paper and forests. We have been in such a hurry to destroy a limited natural resource that we have hurled it on the markets at a loss. Consequently the League of Nations, through its proper instrument, began a study of the subject, and the consequence of that study is this convention. The nations which have executed it are named on the first page of the convention, from which it will be seen that it is already binding on the greater part of the world.

We in Canada are interested in whaling in the North Pacific. I believe none at all is done in the Atlantic off our shores. There are four posts in Queen Charlotte Island, out of which whaling vessels proceed, but the number of whales captured by these vessels is negligible when compared with the destruction which has been going on elsewhere. The United States has been intensely interested. Indeed, since the adoption of this convention that country has made an additional agreement with Great Britain and Norway for still further limitation in regions to the south. Those three countries have undertaken to submit the additional pact to other nations, and it has been submitted to us.

The method of carrying on the whaling industry is very interesting. Hundreds of vessels go out from many posts every year. So evolved has the method become that some vessels are equipped to carry on both slaughtering and manufacturing operations. They catch the whales, extract the products and throw away the refuse. In fact they now perform most of the operations at sea.

There is an exception to the general scope of the treaty. It covers all whales except what is called the toothed whale. Whales of that class are not protected at all because, I presume, they have not been worth chasing. The protection applies to what are called baleens, or whalebone whales, of all kinds. The killing during a definite season of certain types which have become nearly extinct has been entirely forbidden. What the convention does with respect to most varieties of baleens, though, is to prevent the capture of the young, which are called calves, and of females when attended by the young.

As I studied the treaty I was struck by this fact. The whaling industry is in some respects analogous to our paper and lumber industries, and it is precisely analogous to the oil industry of this continent. The United States of America realized that its oil resources were flowing away in all directions, and indeed during latter years almost universally at a loss. This limited natural resource was being depleted day by day, and necessarily so under uncontrolled competition. So that country set to work to control the production and exploitation of its oil wells, and after many years of difficulty, entailed mainly by constitutional restrictions, it has succeeded in gaining control. Now, as regards the whaling industry, all countries seek to take steps such as the United States took with respect to oil.

There is no use in one country limiting its catch of whales unless all whale-seeking countries do the same. And they all have agreed to limitation, as stated in this treaty. It is left to each country to decide as to the ma-

chinery by which it will execute the agreement. It is required to file with the League of Nations a statement as to the executive machinery in operation, so that every signatory may know what is being done by all other signatories. It would seem that this is a definite and conspicuous instance illustrating where practical co-operation can have results. I have no doubt at all that this House will ratify the convention with enthusiasm, and will hope that it may be followed by other acts of international co-operation productive of equally beneficial results.

Hon. A. D. MacRAE: Honourable senators, undoubtedly the effort to save the whale from extinction is a move in the right direction, but it does seem to me to be largely a matter of sentiment rather than of commercial importance. Two generations ago whale oil occupied a very important place in the commercial life of the world. In the old days sperm whale oil was used for lighting purposes, and at one time it was worth as much as a dollar and a quarter a gallon in this country. To-day, of course, it is unsaleable as an illuminant, for the simple reason that the oil companies have perfected substitutes.

Whale oil is very different from what it used to be. Modern refining practice turns it out almost as clear as water, and the higher grades, being free from acid, are used in the manufacture of oleomargarine. But even for this purpose it is of relatively slight importance, compared with the competing vegetable oils derived from cotton-seed, coco-nuts and soya beans. The production of soya bean oil has increased tremendously in recent years.

There is a good deal of romance attaching to whale hunting. I was interested in what the right honourable leader of the House said with respect to the whale catch previous to 1905. On our Pacific coast we caught as many as 2,000 whales one year. Next year our catch was very much reduced, and it has never come back to that high figure.

These great mammals are easily caught with modern equipment. Steel craft, somewhat similar to tug boats and capable of sixteen knots an hour, are equipped with harpoon guns. A bomb is attached to the end of the harpoon, and the explosion instantly kills the whale if a vital part is struck. I know of an instance where a sperm whale, after being harpooned, towed the boat for twelve hours even though its engines were running full speed astern. This will give honourable members some idea of the immense strength of these huge mammals.

According to biologists the whale was at one time a land animal. Whale meat compares favourably with horse flesh, and I know of attempts to distribute it on a commercial basis. Its nutritional value is as high as that of beef, but it has a flavour all its own, and—to my taste—not very agreeable.

I do not know how whalers will be able to distinguish female whales with calves. When born the calf measures from fifteen to twenty feet, and six weeks or two months later it will have grown to twenty-five feet. Then it can be seen. But once you kill the mother whale you might as well kill the calf, for it usually goes into the station with her.

I think the romance surrounding whale fishing justifies this treaty, even though, as I say, the fishery is declining in commercial importance.

Hon. RAOUL DANDURAND: I should like to ask my right honourable friend to what extent aborigines on the coasts of the territories of the various high contracting parties engage in the killing of whales. I see the convention does not apply to

> aborigines dwelling on the coasts of the territories of the High Contracting Parties provided that:
> (1) They only use canoes, pirogues or other exclusively native craft propelled by oars or sails;
> (2) They do not carry firearms;
> (3) They are not in the employment of persons other than aborigines;
> (4) They are not under contract to deliver the products of their whaling to any third person.

I do not know of any whale hunting by aborigines on the Atlantic coast, but I imagine that on the Pacific coast it is carried on to a fairly large extent.

I notice the use for the first time of the word "baleens" as a synonym for whalebone whales. We have in French the word "baleine" only.

Can the right honourable gentleman inform me what are right whales, mentioned in article 4?

Hon. Mr. MacRAE: I think I can answer the honourable gentleman. The right whale is the real whalebone whale. It is found only in the Arctic. I have known of only one being captured in the Pacific. Right whales do not frequent temperate waters.

Right Hon. Mr. MEIGHEN: They are to be found in the Antarctic.

Hon. Mr. MacRAE: Probably. The whales caught by Scotch and Boston whalers are known as right whales. They are the sole source of whalebone. However, whalebone is out of vogue, for it is no longer needed for stays. At one time it was worth £3,000, or about $15,000, a ton. Now it is unsaleable.

Hon. Mr. DANDURAND: This convention shows what co-operation will do and to what extent it can be carried out under the League of Nations—in spite of what my honourable friend to my right (Hon. Mr. Casgrain) thinks of the League.

Hon. Mr. CASGRAIN: I should like to know what provision is made to punish those who break the law.

Right Hon. Mr. MEIGHEN: Each nation looks after its nationals in this respect.

Hon. Mr. CASGRAIN: It is not provided for in the convention.

Right Hon. Mr. MEIGHEN: Yes; each nation agrees to take within the limits of its jurisdiction appropriate measures to insure application of the provisions of the convention and punishment of offenders. I believe the Fisheries Act is wide enough to enable Canada to carry out the provisions of the treaty. I do not think any further legislation will be necessary—something which, no doubt, the honourable senator will be pleased to hear.

The treaty also provides that there must be complete use as far as possible of all products of the whale. It forbids the practice of extracting only what is immediately valuable and throwing away the rest of the carcass.

Hon. Mr. GRIESBACH: I notice among the high contracting parties are several countries whose nationals never caught a whale in their lives—Albania, Poland, Roumania, Switzerland. But there is a significant omission: Sweden is not a party to the convention. My recollection is that Sweden has a substantial whaling industry. Why is she not a party to the convention?

Right Hon. Mr. MEIGHEN: Norway is the important whaling country. We are not in the list, but we shall be. The same applies to Sweden.

Hon. Mr. DANDURAND: Sweden bulked more largely in whale fishing when allied with Norway.

Hon. Mr. GRIESBACH: Canada is in.

Right Hon. Mr. MEIGHEN: We have signed the treaty subject to ratification. This is a list of countries which have ratified it.

The motion was agreed to.

TRAIL SMELTER CONVENTION

RESOLUTION OF APPROVAL

Right Hon. ARTHUR MEIGHEN moved:

That it is expedient that Parliament do approve of the Convention between Canada and the United States relating to certain complaints arising from the operation of the smelter at Trail, British Columbia, signed at Ottawa on the 15th day of April, 1935, and that this House do approve of the same.

He said: Honourable members, this is another convention which we are asked to ratify. We all know the very large smelting plant at Trail, British Columbia, known as the Trail smelter, situated in the valley of the Columbia river and only a few miles from the United States border. This industry has grown to enormous proportions over a long period of years and is engaged in smelting ores of British Columbia and of certain northern parts of the Prairie Provinces.

In its operations the smelter emits sulphur dioxide from its smoke stacks. I have heard of the effects of this chemical upon verdure in the neighbourhood of the smelter, but it appears that the prevailing winds carry the fumes south towards the State of Washington. Injury claimed to be done by this sulphur dioxide, chiefly in the State of Washington, and altogether in the United States, is the subject-matter of this treaty.

I think it was in 1927 that the United States Consul in Canada first called attention to the grievance, and as a result a reference was made to the International Joint Commission by both countries with a view to finding a remedy for the grievance. The Commission employed experts, supplied by the two Governments, who examined into what scientific methods might be adopted to diminish, if not entirely negative, the baneful effects complained of. Finally, after several years, the Commission made a report, which it submitted to each Government. It assessed at $350,000 the damage done in the United States up to, I think, September, 1931; at any rate, very close to the end of that year. The United States Government declined to accept the report, and continued to insist upon an adjustment at the expense of Canada. As a consequence, the treaty we are now asked to ratify was entered into with the United States.

Under this treaty a judicial tribunal is to be erected, to consist of a chairman who is impartial and disinterested, being neither a British subject nor a citizen of the United States, and two other members, one from Canada and one from the United States. The business of this tribunal will be to answer four questions to be submitted to it. This submission, I am glad to say, is based on an acknowledgment by the United States of the correctness of the sum of $350,000 as representing the damages up to the end of 1931. As to the future, the International Joint Commission's report recommended certain methods for reducing the effect of this poison, and in this respect the treaty meets the views

of the United States. By the treaty the new tribunal is asked to determine whether or not operation under conditions that permit of the emission of this chemical should be prohibited. Then, assuming that the answer is in the negative, and that it would be unfair and inequitable to put a stop to the industry, the tribunal is asked what ought to be done to reduce loss to a minimum, and what provision should be made for assessing the loss and collecting damages as time goes on. The questions all appear in the treaty. I need not read them.

It only remains to be added that Consolidated Smelters freely acknowledge liability to the extent that Canada is liable, and agree to indemnify this country in respect of anything it may have to pay. Provision has already been made, I believe, for the payment of the $350,000. I understand that Consolidated Smelters have acquiesced, perhaps not without reluctance, in the form of the questions to be submitted to the new tribunal. At all events, they will be responsible for assessments that follow reference to the tribunal.

Hon. RAOUL DANDURAND: I do not suppose any exception can be taken to this agreement with the United States. I only wish that our friends to the south would agree to a tribunal to assess the damage occasioned to Canada by the diversion of water at Lake Michigan.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: I should like to ask my right honourable friend to give us a statement as to something which may not form part of this convention, but which is very close to it and very close to our own treasury. What arrangements, if any, have been made with the company operating at Trail to compensate the Government for its disbursements to date, and for future disbursements if the damage continues?

Right Hon. Mr. MEIGHEN: I do not know just what security has been given, if any, but I know it is provided for. The Consolidated Mining and Smelting Company, the only Canadian interest which is primarily affected, has concurred in the conclusion of this convention and has undertaken to indemnify the Government in respect of all the resulting financial or other obligations. Consequently, while from a theoretical point of view the convention imposes obligations on the Canadian Government, there will be practically no burden upon the treasury.

The convention, which was approved by the Senate of the United States on the 5th of June this year, provides for a division of the expenses.

I quite concur in the remark of my honourable friend opposite (Hon. Mr. Dandurand). I hope that our example will be followed by the United States, and that it will show a willingness to deal with the long-standing and vexed question of the Chicago diversion, unless we can hope for its settlement by the St. Lawrence Waterways Treaty, which has not yet been ratified by the United States.

The motion was agreed to.

PRIVATE BILL

COMMONS AMENDMENTS CONCURRED IN

The Hon. the SPEAKER informed the Senate that he had received a message from the House of Commons with Bill C2, an Act respecting the Wapiti Insurance Company, to which that House had made certain amendments.

Right Hon. Mr. MEIGHEN moved concurrence in the amendments.

He said: I see no objection to these amendments being taken into consideration now. Through some error of the draftsman this Bill referred to "the Insurance Act." As everyone knows, we have three or four statutes under different titles, dealing with insurance, but no Insurance Act. The Bill should have referred to the Canadian and British Insurance Companies Act, which governs the Wapiti Company. That our committee did not observe this is a mistake for which I am responsible.

The other amendment made by the Commons merely gives the correct title to the certificate. It is a certificate of registry, not a licence, and the change is a proper one.

Hon. Mr. DANDURAND: It just happened that we did not have the Superintendent of Insurance by our side. He would have drawn attention to those matters.

Right Hon. Mr. MEIGHEN: Yes.

The motion was agreed to.

WEIGHTS AND MEASURES BILL

MESSAGE FROM COMMONS REFERRED TO COMMITTEE

The Hon. the SPEAKER informed the Senate that he had received a message from the House of Commons reading as follows:

That this House hath agreed to all the amendments made by the Senate to amend Bill No. 70, an Act to amend the Weights and Measures

Act, except sub-clause 5 of section 10 proposed to be added to the Bill by the sixth amendment. which is not agreed to for the following reasons:—

If allowed to stand, this section would practically nullify section 63 of the Weights and Measures Act in so far as its enforcement in connection with pre-packaged articles is concerned.

Evidence of short weight under the Weights and Measures Act must be obtained by a test purchase, usually made by independent shoppers.

Such being the case, it is pointed out that to get the "average weight or measure of a reasonable number of other articles of the same kind on the same occasion" is clearly impossible. It is not practicable to purchase what might be considered "a reasonable number of articles of the same kind" and an inspection of pre-packaged articles in a store by an inspector, either before or after the making of a test purchase, is not "on the same occasion."

The trader is adequately safeguarded against picayune or vexatious prosecutions, by the fact that all proceedings under section 63 of the Act must receive the consent of the Minister of Trade and Commerce in writing.

The amendment proposed by the Senate is substantially the same as section 10 of the Imperial Sale of Foods Act. In addition that Act provides that an inspector can compel the trader to sell him short weight articles as evidence for prosecution when short weight in pre-packaged articles is found on inspection on the trader's premises.

Such authority is not contained in the Canadian Weights and Measures Act, which renders the proposed amendment unnecessary while making the enforcement of section 63 extremely difficult in so far as pre-packaged articles are concerned.

Right Hon. Mr. MEIGHEN: Honourable members of the Senate committee will have no difficulty in understanding the effect of the amendment made by us, and the reasoning now advanced by the other House against that amendment. At the moment I am not prepared to say just how this matter should be dealt with. We might meet the objection by incorporating the British provision. I know there is a feeling that it is going to be very difficult, if not impossible, however good the intent, to comply with this new law in such a way as to avoid prosecution. Therefore I want to explore to see whether it is not possible to retain the Senate amendment, and to overcome the objections advanced, by incorporating something like the British provision.

Hon. Mr. DANDURAND: Could not this message from the other House be referred to our Banking and Commerce Committee?

Right Hon. Mr. MEIGHEN: If it is in order, I move that the message of the other House be referred to the Committee on Banking and Commerce.

The motion was agreed to.

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EXCHANGE FUND BILL

FIRST READING

A message was received from the House of Commons with Bill 101, an Act respecting the establishment of an Exchange Fund.

The Bill was read the first time.

SECOND READING POSTPONED

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

Right Hon. Mr. MEIGHEN: To-morrow.

The Hon. the SPEAKER: Now?

Hon. Mr. DANDURAND: I understood my right honourable friend to say to-morrow.

Right Hon. Mr. MEIGHEN: I said to-morrow.

Hon. Mr. DANDURAND: I have not examined into the Bill.

Right Hon. Mr. MEIGHEN: Perhaps I may explain the measure.

The Bill provides a stabilization fund of, I think, $62,000,000, the amount accruing to the treasury of Canada by way of profit resulting from taking over of the gold of the chartered banks at the price at which it then stood in the banks' books and the subsequent rise of about 75 per cent to the present market price.

The source of money, of course, is one thing; the principle of stabilization is another. Everyone knows that in the present chaotic condition of exchange virtually all countries of the world—most of which are off the gold standard—maintain some sort of stability in the value of their currency in relation to that of other countries by means of a stabilization fund, buying and selling as may be necessary to prevent wild and erratic valuations, which greatly disturb trade. We are following that example. It is true the fund we are establishing is not a huge one, but it is hoped it will be sufficient. To date we have got along without any special fund.

CIVIL SERVICE GRADE IV

ALLEGED DISCRIMINATION—REPLY TO INQUIRY

Before the Orders of the day:

Right Hon. Mr. MEIGHEN: Honourable members, on Thursday last the honourable senator from Rockcliffe (Hon. Cairine Wilson) called attention to some new classification of the Civil Service which, according to her information, was to be open only to male university graduates of higher than average standing. In answer to the honourable sena-

tor I cannot do better than read a memorandum furnished me at the instance of the Civil Service Commission.

In connection with the examination now being held by the Civil Service Commission for clerks, grade 4, with university graduation, there appears to be a certain amount of misunderstanding. This is not a new class, but one which has been in existence for several years, and positions in the class in general are not limited to university graduates nor to members of the male sex. The positions for which the current examination is being held, however, are suitable for men only, and on that account this particular examination was limited to male candidates, the Commission feeling that it would be unfair to invite applications from female candidates when no positions were at present available for them. For positions in which female appointees will be suitable, however, the examinations will be open to them.

INCOME WAR TAX BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 80, an Act to amend the Income War Tax Act.

He said: Honourable members, the third reading was deferred on Thursday last in order that we might, if necessary, receive submissions from the film industry, which had raised objection to the inclusion of the word "films" in line 12, section 9, page 5 of the Bill. However, representatives of this industry have since advised me that they do not wish to carry their objection further. Consequently there is no necessity of longer deferring the third reading.

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

POST OFFICE BILL (NEWSPAPER OWNERSHIP)

REPORT OF COMMITTEE

Hon. G. V. WHITE moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 50, an Act to amend the Post Office Act (Newspaper Ownership).

Hon. JAMES MURDOCK: Honourable senators, we are now gathered together for the purpose of officiating at the funeral of that stillborn Bill 50, which came before the Senate some few weeks ago. As previously stated, this measure has passed the House of Commons on several occasions. But I have yet to find any member of the Senate, other than myself, who is in favour of it. Personally, I think the Senate is making a mistake. And particularly I consider the report now before us is couched in very unfortunate language.

Just imagine, if possible, the highest-class representatives of the Parliament of Canada undertaking to dissociate themselves from the principle of a Bill—if there is a principle involved—in this language:

The Committee recommend that the Bill be not further proceeded with for the reason that in the opinion of the Committee its passage would be ineffective to attain its purpose.

The man in the street and the man in the back concessions—I think I have heard that expression somewhere before—will ask, "If the Bill would be ineffective to attain its purpose, why does the Senate not put the language of the measure into such concrete and definite form that the desired object would be attained?"

What is the purpose of this Bill? So far that has not been placed before the Senate of Canada, to my knowledge; and, having heard some of the discussions before the committee, I do not believe it was placed before that body. The requirements of this Bill are: (1) There shall be filed with the Post Office Department a sworn statement showing the names and post office addresses of the editor and managing editor, publisher, business managers and owners of publications using the mails. (2) If the publication be owned by a corporation, its name and address must be given, and also, immediately thereunder, the names and addresses of stockholders owning one per cent or more of the total amount of stock. (3) The names of bondholders, mortgagees or other security holders owning one per cent or more of the total amount of bonds, mortgages or other securities must be stated. (4) With respect to the second and third requirements which I have just cited, the list of owners, stockholders and security holders, if any, as appearing on the books of the company, shall, in each case where a name is shown as that of a trustee or in any other relationship, disclose the identity of the person or corporation for whom such trustee or representative is acting. (5) There must be a declaration of the average number of copies of each issue of the publication sold or distributed through the mails or otherwise to paid subscribers during the preceding six months. And all this information must be printed in the second issue of the publication after the filing of the statement with the Post Office Department.

Those provisions do not appear to me to be unreasonable. I think the man in the street and the man in the back concessions —I repeat that expression—would regard it as fair to them and all concerned to make public the information that this Bill calls for.

Is this proposed legislation something new? No. Honourable members of the House of Commons have on three or four occasions passed a similar bill, which the Senate in its great wisdom has turned down. In this particular instance the Senate undertook to give the six months' hoist to the measure without any discussion at all, and then after a short debate there was a reference to a committee. And we now find the Bill sent back to us with the committee's report, which I have read.

Personally I am not concerned with the passage of this Bill. It is no child of mine. I happened to father this measure from another place because it appeared that if I did not do so it would lack a sponsor. Again I say that I have not found a single honourable member of this House, except myself, who is in favour of it. But legislation to the same intent is in effect in England, the United States and Australia. Yet, although the House of Commons has passed a bill like this on three or four occasions, the Senate says that we do not want it in Canada.

Right Hon. Mr. MEIGHEN: Does the honourable gentleman say it is in effect in England?

Hon. Mr. MURDOCK: I said so.

Right Hon. Mr. MEIGHEN: I never heard that.

Hon. Mr. MURDOCK: That is the trouble. It would have been better, in my humble judgment, that the right honourable leader and other honourable members of this House should get the facts with respect to this situation than that the Senate should attempt, as it did on the 4th of June, to shelve the whole thing. I think that in consequence of what has been done on the Newspaper Ownership Bill, if the day ever comes—and I believe it will come—when there is a more pronounced sentiment than there has ever been for the abolition of the Senate, it will be said that this body of distinguished and honourable representatives of the people had no time nor patience to deal with a measure intended for the protection and the information of the ordinary citizen, and that we threw it to one side because we wanted none of it.

Let me put this question to some of my honourable friends. Suppose that after we went home or to hotel or office this evening someone should telephone and give us a long and exhaustive argument on some question of considerable interest and importance. Unless we recognized the voice or were told who the speaker was, our first question would be, "Who is speaking, please?" And what should we be apt to do if the caller replied, "Oh, never mind that"? I imagine we might be discourteous enough to hang up the receiver and cut off the lady or gentleman who undertook to approach us in that way. And if a stranger met us on the street and attempted to expound certain views, no matter how definite, consistent and logical they might be, the first thing any one of us would ask is, "Who are you?"

Hon. Mr. BALLANTYNE: May I ask the honourable senator a question? The honourable senator was present when the Bill was being fully discussed by the committee. He heard the statement made over and over again that it was not humanly possible to find out the real owners of publications. Will the honourable senator please tell this House whether or not it would be possible to find out the real owners, if the Bill were passed and placed on the Statute Book?

Hon. Mr. MURDOCK: If it is impossible, as my honourable friend has stated, to find out that information, then more shame to this Canada of ours. It is pretty nearly time that the man in the street knew it was impossible to find out who is paying for the promulgation of ideas through the press. If the honourable gentleman is right, as he likely is, the more shame to Canada that we cannot place on the Statute Book a regulation which will smoke out even the press of our country. With the greatest respect to our splendid press, this whole question can be summed up in a few words: the power of the press. That is all that is involved.

I think the average citizen of Canada will not take too kindly to the attitude of the Senate, which has dealt with this matter very superficially. At least the Senate started to deal with it superficially: in my opinion the question has not been fully considered yet. I do not know one-two-three about the newspaper question, as I am sure many honourable members of this House do, but I feel that to adopt the report now before us would be unfortunate for the prestige and future status of the Senate. This broken crutch of a report recommends "that the Bill be not further proceeded with for the reason that in the opinion of the committee its passage would be ineffective to attain its purpose." Are we powerless to frame a Bill that would attain the purpose? What purpose? The disclosure of those who are promulgating ideas in this or that paper here or there throughout Canada. In other words, the purpose is to give the average reader the very information that we ourselves would expect if a stranger communicated with us. I repeat that person-

ally I am not concerned about whether or not the Bill passes, but in my opinion the adoption of this report would be to the lasting detriment of the prestige of the Senate.

Just a few words in conclusion. In the course of my remarks on the 4th of June, when I moved the second reading, I made certain statements with reference to the London Free Press and the London Advertiser, and also the Montreal Star and the Montreal Herald. It has been brought to my attention that from something I said it might appear I was unfair or discourteous to Mr. Rossie, the editor of the London Advertiser. While I do not know Mr. Rossie, I am given to understand that he is a high-class gentleman, a man of independence and consistency, and I want to assure the Senate that no word of mine was intended as any reflection upon him. I simply made a statement with respect to the two papers in London because I thought it was generally known that the one interest, namely the Conservative Free Press, was dominating the allegedly Liberal Advertiser. This is personal: I thought, and I still think, that the readers of the Advertiser—yes, and the readers of the Free Press—ought to have properly before them from time to time full information with respect to that situation. There was no word of disrespect or discourtesy intended towards Mr. Rossie as a gentleman and as editor of the London Advertiser.

I do not for a moment imagine that anything I have said will change the opinion of any honourable member of this House. I fancy that the minds of honourable members on this question are the same now as they have been for eight or ten years. But again I express the prophecy that some day the treatment this Bill has received here will be broadcast from one end of Canada to the other as one of the substantial reasons for the abolition of the Senate—which has been advocated every once in a while.

Hon. RAOUL DANDURAND: Honourable members of the Senate, unfortunately for myself, I was not present during the debate on the motion for second reading of this Bill. Had I been here I should have stated my view, which I have frequently expressed, that the public are entitled to know who is speaking to them. The question is how to make sure that the real identity is disclosed. My wish would have been that the procedure followed in some countries should be adopted here. But that would have been merely a wish, for the Federal Parliament would not have power to give it effect. If every writer who contributed to a newspaper, either regularly or occasionally, professionally or in any other way, had to sign his name, readers would know exactly who was addressing them. Such a requirement would have the further advantage of establishing a reputation for the publicist, who cannot possibly secure it while the authorship of his writings is unknown. I know of contributors to European newspapers whose opinions carry considerable weight, and their articles are quoted throughout the world. If those articles were published anonymously, no credit would attach to writers whose culture, experience and knowledge of world affairs give value to their opinions.

I attended the meetings of the committee. I found that this Bill would apply only to newspapers sent through the mails. I found also that it would be easy for the proprietor of a newspaper to vest nominal ownership in a trust company. This, to my knowledge, has already been done in certain cases. Consequently it would be very difficult for the public to ascertain the real ownership. The committee instructed its legal adviser to devise an amendment which would salvage what was attainable by the Bill. The amendment was found to be no improvement, and so we were faced with the necessity of voting against the adoption of the proposed legislation.

I am ready to support any Bill which will effect the object I have in view, that of giving full publicity to the writers of newspaper articles. It is true, as my right honourable friend from Eganville (Right Hon. Mr. Graham) has said, that a paper makes its own reputation and its views carry weight regardless of who contributes to its columns; for instance, the London Times—or the Brockville Recorder.

Right Hon. Mr. GRAHAM: A good comparison!

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: But this is not always so, and, generally speaking, I hold firmly to the view that the public are interested in knowing who is addressing them. I recognize that this is a matter of provincial jurisdiction. This being the case, in order to give jurisdiction to the Parliament of Canada, the Bill seeks to reach newspapers which circulate through the mails; that is, it is not general legislation to cover all the newspapers of this country. But, as I have said, even the proprietors of newspapers so affected could frustrate the purpose of the Bill by vesting ownership in a trust company.

Right Hon. ARTHUR MEIGHEN: Honourable members, I have not a shadow of apology to offer for the action of the Banking and Commerce Committee in relation to this Bill, nor for the framing of the report which is now under consideration. It takes this form at my suggestion, because it expresses the reason why the committee felt it should report against the Bill.

The honourable senator from Parkdale (Hon. Mr. Murdock) says: "Shame on the Senate! Shame on our brains, our resourcefulness, our ingenuity! that we cannot frame a Bill to meet this purpose, if we want the purpose met." I did not introduce the measure, and I was not responsible for its introduction in the other House, but I am prepared to assume that those who were did the best they could. I do not think its sponsor in the other House intentionally brought in something defective and futile. I think he consulted the best lawyers at his command. He is himself a lawyer. I know we have at the command of this Senate just about as able a counsel as one would wish for this purpose. But it is primarily the duty of those members who introduce and sponsor a Bill to see that it effects its purpose. Surely it does not lie in the mouth of those members to cry shame on us because we do not amend and reform their ineffective work. Before crying shame let them reform the work themselves.

Hon. Mr. MURDOCK: I have done quite a lot this session already.

Right Hon. Mr. MEIGHEN: Yes, I know, but it was work that could be done. When it is something that cannot be done he cries shame on us. He says: "Why can it not be done? It is done in England and in the United States." I had not heard before that such legislation was in effect in England; in fact I had been informed it was not. But whether or not it is on the Statute Book there does not matter one iota. I have made a study of its operation in the States, where it is on the Statute Book. It has no effect there at all; in fact it is a farce in every State of the Union. We have in this Bill imitated the framers of that legislation. I have no doubt they did their best. We have copied it, and I assume it is our best.

Does anybody assert that this Bill will enable us to get at the ownership of newspapers? And can anybody suggest an amendment to enable us to do so? It must be remembered that this country is a confederation. The Dominion Parliament has jurisdiction in respect of the Post Office. There our jurisdiction begins and ends. We can stipulate the conditions which a paper must live up to in order to be transmitted through the mails. If it is necessary to stipulate those conditions, somebody has to frame them. They must be set out in black and white, and must be such that the person reading the newspaper will know who owns it. I should like to see some responsible gentleman essay that task. I wrote a newspaper yesterday inviting it to get its lawyer to do so. I undertake now to pay the expenses of that newspaper's lawyer if he will draft effective legislation.

The Legislature of Ontario is in charge of all matters affecting civil rights. This matter affects civil rights. Therefore the Dominion Parliament can legislate only from the standpoint of the Post Office. The Provincial Government can hold an investigation, if there is legislation for that purpose, and can call on the officers of a trust company in which a newspaper is vested, and find out the names of all persons the company holds for, then go to those and find out whom they hold for, and continue the investigation for six months, if necessary, until finally it gets at the real ownership. I do not know of any other way of securing the information. The Legislature of Ontario has full jurisdiction in respect to the Advertiser and the Globe, as has the Legislature of Quebec in respect to the Herald. They might get at the information in that way. If it is a matter of such colossal importance that failure to act will shake the very foundations of Confederation and threaten the very life of the Senate, why not go to the provincial governments and set them in motion? They have plenary authority; they cannot be stopped.

But neither the Legislature of Quebec nor of Ontario can frame legislation that will compel divulgence of the information sought, though those who are required to furnish certain particulars tell the whole truth. It must be remembered that many newspapers, whether rightly or wrongly, consider this proposal a great injustice. I have never argued it is unjust; I do not argue it is just. There may be justification for a rule to apply to newspaper corporations that should not apply to other corporations, but newspaper owners resent it as an invasion of their private rights. Consequently they will obey the law, but they will not do any more than obey it. In short, they will comply with the letter—and there is no dishonesty in so complying—but that is all they will do. You cannot frame legislation that they cannot comply with fully, yet without naming the actual owners. I invite my honourable friend to engage a lawyer and try to have such legislation framed.

Hon. Mr. MURDOCK: No chance.

Right Hon. Mr. MEIGHEN: Neither will he try to draft it himself. Those who criticize this House will not try it. It is one thing to frame a rigid set of conditions a paper must live up to, and we know they can live up to well enough. It is another thing, with plenary powers of inquiry, to dig to the bottom. As soon as you have reached bottom you may have to start all over again, for the ownership may change three days after.

Hon. Mr. MURDOCK: If the owners of newspapers using the post office facilities swear to the information that is proposed, why will you not know?

Right Hon. Mr. MEIGHEN: Because they swear to the ownership on file. We will say a newspaper is owned by the Smithson Corporation Limited. But who owns the Smithson Corporation Limited? You will have to invoke provincial powers and get the record of its stockholders. You find that some of the stock is owned by the John Jones Corporation, some by the Ericdale Corporation. You are not a bit further ahead. Then you proceed to find out who owns the Ericdale Corporation. Perhaps an individual owns it in trust. How will you frame legislation to get down all those steps?

Hon. Mr. MURDOCK: If all those companies own one per cent or more of stock, will the information not be valuable to the man in the street—the ordinary citizen?

Right Hon. Mr. MEIGHEN: No. My honourable friend has not understood me at all. The first company I spoke of owns all the stock. Is it any good to the man in the street to know that? Not the slightest, because the stock of that company may be owned by three, four or half a dozen other corporations. There may be trust company intervention, or there may be none at all. Now, frame legislation, if you will, to lead from one step to the next, from that to the next, and so on to the end. Let us be practical. I should like to see someone try it. The United States tried it. An affidavit has to be made that the information given as to ownership is correct, but the information does not tell anything that is of any value at all to the public.

Now, that is my difficulty, and those who say to us, "You are no good," I ask that they do better. Let them draft legislation to effect what they desire. When the Banking and Commerce Committee says this legislation is ineffective, it says the truth. But it is not trying to hide behind its own impotence. We invite others to do just a little better. We say: "Go ahead and frame conditions that cannot be easily evaded." Remember this, however. Those who feel such legislation is unjust and discriminatory will obey, but they will do no more than obey—they will not go one inch further. You will have loaded on the press of Canada considerable expenses. You will have discriminated in favour of those who do not use the mails at all, and given them a marked advantage. You will have ended exactly where you began.

If there is an instance where there is something in the nature of deceit, I do not know of it. I think everybody has an idea, rightly or wrongly, that the majority stock of the Advertiser is held by some persons who did not own it before and who may have a Conservative leaning. Well, if it is of such colossal consequence, the Legislature of Ontario, under its plenary power, can legislate and go right down all the various steps. If it is thought worth while, why not get it done? But we are threatened with extinction because we are doing what obviously is the right thing to do. I can remember when, in years gone by, the Senate was cursed for rejecting a Bill involving tremendous railway expenditure. But it is not now cursed for so-called sins of that kind; it is blessed. I do not think the public of Canada are very much interested in this measure. I must be a very ignorant, obscure person, for I never knew before coming to the Senate that the legislation was ever before the other House.

An Hon. SENATOR: What benefit would the truth be if we did know it?

Right Hon. Mr. MEIGHEN: I do not know. I am assuming there is some tremendous benefit expected. I do not see that any great benefit could result. But I am explaining the reason the committee did take this course. I remember when, not twenty odd years ago, everybody in the Dominion knew who owned the Winnipeg Free Press. If this proposed measure had been in effect it would have appeared that the readers of the Free Press were being taught their politics and economics by Clifford Sifton; whereas, as a matter of fact, although he owned the paper, it was not his mind that spoke through the Free Press in any way. Consequently the information would have been a little misleading. In other cases the facts might have been stated, and it might have been a good thing. That point I do not stop to argue. It has been dealt with by the honourable senators from Lethbridge (Hon. Mr. Buchanan) and Eganville (Right Hon. Mr. Graham). I believe the reason the committee gave is the right reason, and therefore it was

the honest thing for the committee to report against the Bill.

The motion was agreed to.

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

THE SENATE

Wednesday, June 19, 1935.

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

Prayers and routine proceedings.

LIVE STOCK AND LIVE STOCK PRODUCTS BILL

THIRD READING

Bill 72, an Act to amend the Live Stock and Live Stock Products Act.—Right Hon. Mr. Meighen.

PRIVATE BILL

FIRST AND SECOND READINGS

Bill U2, an Act respecting the Hamilton Life Insurance Company.—Hon. Mr. Little.

REFERRED TO COMMITTEE

Hon. Mr. LITTLE moved that Bill U2 be referred to the Committee on Miscellaneous Private Bills.

He said: It is simply a Bill to extend the time in which the company may have the right to secure a licence from the Insurance Department.

The motion was agreed to.

SUSPENSION OF RULE

Hon. Mr. LITTLE moved:

That Rule 119 be suspended in so far as it relates to the Bill intituled: "An Act respecting the Hamilton Life Insurance Company."

The motion was agreed to.

MONTREAL HARBOUR

INQUIRY AND DISCUSSION

Before the Orders of the Day:

Hon. Mr. LEMIEUX: Honourable gentlemen, before the Orders of the Day are called I should like to ask the right honourable gentleman who leads the Government if he is aware of the present state of the harbour of Montreal and the channel of the river below that point. Navigation companies, the Shipping Federation, boards of trade, chambers of commerce and business men generally are gravely concerned about the condition which prevails. The harbour of Montreal is drying out. Whether this is due to Chicago's interference with the waters of Lake Michigan—and I dare say it is partly due to that—or whether it is due to the damming of some of the lakes and rivers flowing into the St. Lawrence river, or to a lack of rain—something which cannot be complained of to-day—the situation is appalling. It is appalling not only to the city of Montreal, but also to the people of the West generally, because Montreal, by reason of its elevators and other facilities, which have been provided under both administrations, is known as the Western harbour.

It seems to me that something ought to be done to correct the existing situation. It has been said that the erection of a barrage in the St. Lawrence river below Montreal would hold back the water so that the harbour and navigation would not be endangered. I am bound to say that for ocean navigation the old harbour of Quebec is taking the place of the harbour of Montreal.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LEMIEUX: But that is due only to an accident. I am asking the right honourable gentleman, when he has time, to gather the facts in regard to this situation and to inquire whether something cannot be done to prevent the disaster which threatens.

Hon. Mr. CASGRAIN: Before the right honourable gentleman answers, would he allow me one word? I promise not to make a speech. I have occupied the attention of this House for hours and hours on this same subject in the last thirty years; but the more you know about a thing the more you learn about it.

A captain on a boat going to Chicago said that for twenty miles before it arrived at Chicago all the buoys were canted south.

One other thing. Lake Michigan used to empty into the St. Lawrence. It is a very large lake, some 225 or 250 miles long and 40 miles wide. That means there is a great watershed. All that vast watershed poured into Lake Michigan and emptied into the St. Lawrence. But now all the water, including the rain that falls on the surface of the lake, is going down through the Chicago diversion.

Right Hon. Mr. MEIGHEN: There is no question whatever that much of the low water trouble we have in Canada is due to the Chicago diversion. No one can estimate the proportion of the trouble which is due to that cause, but it is a large proportion. I have no special information as to the present condi-

tion of the harbour of Montreal; that is to say, I certainly could not add anything to the knowledge of honourable senators from that district. For the moment I can only call attention to Bill 63, within the provisions of which $3,500,000 is inserted for the deepening of and other improvements in the harbour of Montreal. That is the largest single item in the measure, and it is in addition to the $2,500,000 set aside for harbours and rivers generally. I have no doubt at all that that appropriation is mainly inspired by the very situation to which the honourable gentleman from Rougemont (Hon. Mr. Lemieux) calls attention.

Hon. Mr. POPE: In March I asked a few questions to which I have received no answer. Whether this Government is dead or gone to sleep, I do not know, but somebody is slumbering.

Right Hon. Mr. MEIGHEN: I shall look into the matter. I am not sure that the inquiry has not been answered.

Hon. Mr. POPE: I am very positive that it has not been. An official report was sent down, which does not amount to anything. I should have liked a report from the permanent engineer of the harbour, as to its possibilities of development. If you are going to get more water down there you will have to go above, where the water is; you will have to take water from the north. A very competent engineer has prepared a report, which I am sure some honourable gentlemen must have read, as to damming up that river which runs to the north, into Hudson bay, and bringing water down at a cost of about $30,000,000. That diversion would guarantee a permanently higher level of water in the St. Lawrence river.

Right Hon. Mr. MEIGHEN: Honourable members, I was under the impression that the questions which had been on the Order Paper had been answered, and I am now advised by the Clerk that my impression is correct. The Clerk is not certain that the answer was satisfactory. However, the inquiry has been answered in the regular way, after special efforts were made to get at the exact meaning and intent of the questions.

Hon. Mr. L'ESPERANCE: Honourable senators, I am not an engineer, nor am I, of course, as familiar as are some other honourable members with conditions in the harbour of Montreal. The Chicago diversion may have something to do with the situation, but competent engineers have expressed the opinion that the deeper the channel is dredged between Montreal and Quebec the lower will be the level in the harbour of Montreal.

DIVORCE BILL

THIRD READING

Bill T2, an Act for the relief of Dora Eleanor Mathieson Campbell.—Hon. Mr. Robinson.

EXCHANGE FUND BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 101, an Act respecting the establishment of an Exchange Fund.

He said: Honourable members, yesterday I gave a brief explanation of the Bill. I have since given closer study to it and believe it should be referred to the Committee on Banking and Commerce. Possibly the committee could deal more intelligently with the measure were an official of the Finance Department present. In order fully to grasp the effect of this Bill, honourable members will require to keep carefully in mind the provisions of the Bank of Canada Act. The more important of those provisions bearing on the Bill appear in the explanatory notes on the right-hand pages.

The purpose of the measure is as I stated yesterday: to credit to a special account in the name of the Minister of Finance, at the current market price, the gold taken over from the chartered banks, and to debit the account with the value of such gold on the basis established by the Currency Act. The difference, aggregating about $62,000,000, will then appear as profit.

It is also provided that the portion of this gold held by chartered banks at the time of transfer as a reserve against payment of foreign liabilities shall be valued, and paid for, on the basis of the current market price. The amount of reserve against foreign liabilities is to be fixed by the Minister.

Section 6 provides that the fund may be used for stabilization by purchase and sale of gold and foreign exchange and by the establishment of balances in New York and London, and withdrawal of those balances. Through this mechanism the fund will serve its purpose of stabilizing our dollar.

Section 10 provides for secrecy as to operation of the fund, and for penalties for violation of that secrecy. It will be obvious that if the operations were in any degree made public the whole purpose of the Bill would be frustrated.

The other sections are ancillary. No. 8 contemplates winding up of the fund by resolution of Parliament. Expenses incurred in operation are to be charged to the fund itself. Provision is also made for audit.

I should think it would be the duty of the Banking and Commerce Committee to see wherein the Bill can be improved, and, with that in view, to consult with officials of the Finance Department.

Hon. Mr. CASGRAIN: Will not the banks and other financial institutions still carry on stabilization operations?

Right Hon. Mr. MEIGHEN: No. It was never a function of the chartered banks to stabilize Canadian exchange. Of course, there was no necessity for stabilization while the gold standard prevailed throughout the industrial world: that of itself was stabilization. In the absence of the gold standard, fluctuations are serious, and nations have sought to control them by means usually somewhat analogous to the provisions of this Bill. I do not think chartered banks can be shouldered with stabilization of exchange. They will adopt stabilization measures legitimately only to the extent that it serves their individual purposes.

Hon. RAOUL DANDURAND: I am happy to learn from my right honourable friend that this Bill is to be referred to the Committee on Banking and Commerce, where doubtless we shall be able to get a fair understanding of the operation of an exchange fund. I hope we shall have at our elbow one of the executives of the Bank of Canada who, I understand, comes from the Bank of England and knows all about its dealings in foreign exchange.

By this Bill the gold taken over from the various chartered banks is to be valued at the current market price, and the difference between this and the price at which it was taken over from the banks represents the exchange fund to be used for the purpose of stabilization. I have been informed that the fund at the disposal of the Bank of Canada will be insufficient to effect stabilization, for our dollar is affected by various operations—by inflation, which depreciates it, by our balance of trade, visible and invisible, by Canadian investments abroad and foreign investments in this country. Stabilization is so difficult that I do not see how it can be brought about by the limited movement of our funds in exchange with foreign lands. I do not know what will be the effect of the operations of the Bank of Canada in that field.

To what extent shall we succeed in our dealings in foreign exchange? We shall be—I must use the expression—speculating in gold. Everyone recognizes that it will be a gamble. Is it worth while under present conditions to attempt measures that may prove to be ineffective? I am glad to hear we may have an opportunity of learning what has been the result of the operations of the Bank of England in foreign exchange. My right honourable friend has referred to the section of the Bill requiring secrecy. Of course, this may preclude us from gaining an insight into the stupendous operations carried on by foreign countries in their attempts to stabilize currency. I hope, however, that we may be given such data as will reassure us with respect to the practicability of this venture on which we are about to embark.

Hon. RODOLPHE LEMIEUX: May I ask the right honourable gentleman a question? Gold held by our various chartered banks was transferred to the Bank of Canada on a certain date. Since then gold has attained an enhanced value.

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. LEMIEUX: Does the Government intend to distribute to the chartered banks the profit which should inure to them? There is a balance of about $62,000,000, which will go towards building up that stabilization fund. What portion of this balance belongs to the Government, and what portion to the banks? Why should not the banks be credited with the full amount of the profit? I do not know whether I am making myself clear.

Right Hon. Mr. MEIGHEN: Quite clear.

Hon. Mr. LEMIEUX: Another point. If a certain amount of the profit on gold is to be credited to the various banking institutions, how will payment be made? Will it be made in paper or in the yellow metal? I understand that the banks cannot carry gold in their vaults, and that if anyone goes to any bank and asks for gold he is politely refused.

Another point is this. My honourable friend the leader on this side (Hon. Mr. Dandurand) spoke of the depreciation of the Canadian dollar. I was glad to observe the other day that in New York our Canadian dollar was higher than the American dollar. This is not the first time; it has happened on various occasions. But let us take France for instance. The other day I met a gentleman who had just returned from France. I said, "You have come back to Canada very soon." "Well," he said, "it is no great pleasure to live in France at the present time, when on each Canadian dollar I lose forty cents." I am not aiming

particularly at the trade between France and Canada, but it seems to me that if you want to appreciate the Canadian dollar instead of depreciating it, the logical remedy is to open up the channels of trade and commerce. The more you trade with other countries the more your dollar will appreciate.

I am very sorry to notice that we are liable to lose trade with Japan because the yen has gone down even more than the dollar. We had a very munificent trade with our neighbour—for, though the Pacific is wide, we are Japan's nearest American neighbour. That trade has fallen off by reason of the depreciation of the yen.

It seems to me to be a homely truth, and one which should be brought to the notice of the Government and of Parliament as often as possible, that when countries erect trade barriers their moneys are depreciated. You must trade to maintain the activity of your dollar. It is true that at the present time we are trading with Great Britain; but, I am sorry to say, we are doing so on a limited scale. If we would trade with the other countries of the world, with the United States, Japan, France and Belgium, and with the northern countries of Sweden and Norway, our dollar would appreciate instead of depreciating, as it is doing at the present time.

Right Hon. Mr. MEIGHEN: I have a very high regard for my honourable friend as an authority on law, on literature and on the philosophy and ways of politics; but, while I do not pride myself on being an economist, I think my experience in finance, small though that experience has been, is superior to that of the honourable gentleman—

Hon. Mr. LEMIEUX: I grant that.

Right Hon. Mr. MEIGHEN: —in usefulness for developing some knowledge of international finance. I hope this remark will not be interpreted as evidence of a belief on my part that I have command of the subject. I have not. I know very few who have. What I am about to say in answer to my honourable friend will reveal just how far my command goes.

I do not think my honourable friend would have given utterance to some of his later sentences if he had thought very far on the subject. He says: "Open up the channels of trade and you will improve the value of the Canadian dollar." He says the Canadian dollar is now very low, and that as a consequence a Canadian in France loses forty cents on every dollar he has. That is a fact, but it has no relation, or mighty little relation, to our trade with France. France is on the gold standard. The French franc is defined by French law as being of the value of a certain quantity and weight of gold of a certain fineness. Our dollar was on the same base, but it is so no longer. The consequence is that gold, in terms of our dollar, is worth much more than it was, being now valued at $35 an ounce, whereas formerly it was worth $20.67—a variation of forty per cent. The franc stands where it was; consequently, in relation to the franc our dollar is worth forty cents less than it was. What has that to do with trade?

I do not say that the value of one country's currency in relation to that of another country does not depend in some degree upon trade; but it does not depend on the quantity of trade. In so far as trade affects the relative values of the currencies of, say, the United States and Canada, the value of our dollar in relation to the American dollar depends not in the least on the volume of trade between this country and the United States, but on the balance of trade between these two countries. That is not the only factor; I will not say it is the major factor; but, I repeat, it is a factor. If our purchase of goods from the United States exceeds our sales to that country the balance of trade is against us, and the relative value of our dollar goes down. I do not say it goes down in proportion to the unfavourable balance of trade, but that balance is an element affecting the value and tends to make our dollar worth less in relation to that of the United States.

Hon. Mr. DANDURAND: Although there is such a thing as a triangle in the settlement.

Right Hon. Mr. MEIGHEN: In all this one must remember what is in the mind of my honourable friend. There is triangular trade. We buy from a country which is selling to the United States. All such factors enter into the calculation. But to keep the matter as simple as possible, it is not the quantity of trade that affects the relative value of your currency; it is the balance of trade.

My honourable friend says: "Open up the channels of trade." That is easy. We can open up our doors by means of legislation. But that does not open up the French doors. The honourable member learned that himself when he was a member of the Government. That does not open up the doors of the United States. Our legislative powers are confined to Canada, and the opening up of

our doors tends to turn trade, not in our favour, but against us, and, therefore, to diminish the value of our dollar in relation to other currencies. When the honourable gentleman is able to endow this Parliament with power to open up the doors of the customs of the United States, of France, of Japan, he will have put into our hands a weapon whereby we can enlarge, almost ad infinitum, the aggregate trade of this Dominion. But until that power is ours—and it never can be—all we can do is to determine what is best for us, having regard to other nations. The honourable gentleman learned too, through long and bitter years, just as it was learned in England, that the continual lowering or final elimination of tariff barriers does not assist in the least in opening up the doors of other countries.

Hon. Mr. LEMIEUX: It was on free trade that England financed the War.

Right Hon. Mr. MEIGHEN: Yes, and now she cannot pay. When England was free-trade other countries raised their tariffs until she had to turn her face the other way. I remember that in 1921, when sitting across from my honourable friend (Hon. Mr. Lemieux), I dared to predict that the day would come when Great Britain would be compelled to reverse her course. My remarks were treated with laughter—loud laughter by a very distinguished member representing a Western city called Red Deer. But that day came.

We can only determine our course in the light of knowledge gained from the course pursued by others, always having regard to the necessity of maintaining our own balance. So much for that.

I will now answer as best I can—and I have no doubt it will be very inadequately—the first question of the honourable gentleman. He says that on the old valuation the gold which was the property of the banks was worth so much, and that it is now worth a great deal more. He asks if we are going to turn over to the banks from whom the gold was taken the profits arising from its increase in value. If we were, we could not have this Bill, for we are intending to use profits arising from that increase, aggregating about $62,000,000, I think, for the purposes of this Bill. We are not giving the banks any part of that profit.

I will not discuss now the question whether that course is right or wrong, but will proceed to the only exception. In so far as the banks' reserves of gold were held as reserves against their foreign liabilities, the profits—

Hon. Mr. HUGHES: On that part.

Right Hon. Mr. MEIGHEN: —on that part, go to the credit of the banks. To the extent that gold was held as security for the Canadian note issues of the banks, the profit is appropriated by the Government of Canada.

I am quite aware it is a bold—some would say a shocking—thing to do. Certainly there are those who could give a better explanation than I can as to why it has been done. I put my explanation in this way, subject to amendment and improvement, which anyone else may be able to make, and which I know I myself shall later be able to make. This gold is regarded as not having been the property of the banks in the way of an investment for profit, an investment on which they might have had a loss and on which they are therefore entitled to the profit if there is any. The Government says: "That was no such investment. It was merely a holding which under the law of Canada you were required to have in order that the public might be protected when using your notes of hand. For that purpose and no other you held it, and you took no risk upon it. The law fixed the value of the gold, and you could not have suffered any loss in connection with it. Now, when the law changes the value of gold, we are not going to let you take any profit: we take it for the benefit of the people of Canada." Such has been the reasoning, or at any rate it is pretty close to the reasoning, under which the Government justifies its course.

But, admittedly and frankly, the Government has, no doubt against the strong protests of the banks, appropriated that profit to itself. That was done under the Bank of Canada Act. And now, having appropriated it, the Government proceeds to use it for the stabilizing of the dollar of this country; that is to say, so far as stabilization can be effected within the limits of the fund. The dollar will go down and nothing on earth can stabilize it if your trade goes badly against you. If you just took down the barriers to your ports and allowed goods from Japan, from South America, from Great Britain, from France, from the United States and from all other countries to come in without restriction, then no fund that the mind of man can comprehend would ever stabilize the dollar of Canada. You would have free entry of imports, and the volume might be large, and nothing that we can possibly devise would stabilize our dollar under such conditions. Assuming, though, that we shall have sane and reasonable trade policies, that we shall continue to do business on a basis of fairness with other countries, the dollar will not fluctuate at all

from any such cause as I have just described. We believe it can be stabilized by discreet and prudent purchases and sales of gold and foreign exchange, and by the establishment and withdrawal of foreign balances.

The explanation I have given is brief and incomplete. In part it may be wrong, though I do not think it is. I hope that when the Bill gets to the committee all honourable senators, even those who are not members of the committee, will be in attendance. I have no doubt that the Governor of the Bank of Canada will be present, and that he will give a far better explanation than I have been able to give.

Hon. Mr. MacARTHUR: May I ask the right honourable gentleman whether the earnings of the banks will be affected to such an extent that possibly their dividends to shareholders will be reduced and the market value of their stock will drop?

Right Hon. Mr. MEIGHEN: Does the honourable gentleman not realize that if I made a statement about bank stocks there would be a wild flutter? Of course the honourable senator knows—and perhaps far better than I do, for he may hold some bank stock—that our larger banks have already reduced their dividends. Indeed, I think there have been two reductions. Some of the smaller banks, which perhaps are not so badly affected by the depression, have made reductions to a lesser extent.

Hon. Mr. MacARTHUR: Will this have a tendency to bring about a further reduction?

Right Hon. Mr. MEIGHEN: It is now about a year since this step was taken, and I should think that the effect on the market value of bank securities would already have been felt. As regards earnings, the gold itself makes none, but inasmuch as a bank can use its own note issue as currency, and in good times, with proper management, make some profit upon that issue, there will be a lessening of earnings. The drop will become more pronounced as the note issue is called in, which must be within a period of ten years from the taking effect of the Bank of Canada Act.

Hon. J. J. HUGHES: May I make just one or two observations? As I see it, the increased value of gold was caused by an action of the Government and not by anything the banks did or could do.

Hon. Mr. ROBINSON: Which Government?

Hon. Mr. HUGHES: The Federal Government.

Right Hon. Mr. MEIGHEN.

Hon. Mr. ROBINSON: Or the United States Government?

Right Hon. Mr. MEIGHEN: Increased value in our own country could come only through action of our own Government; increased value in the United States would be due to action of the American Government.

Hon. Mr. HUGHES: The increased value of gold in Canada was caused by action of the Government. Therefore that increased value should go to the Government, which represents all the people. As I have already stated, the increase was not caused by anything the banks did or could do; therefore it did not belong to them.

I understand that Canadian currency is at a premium in New York. The gold content of the American dollar is lower than that of the Canadian dollar. I think that would be a factor in causing our notes to be at a premium in New York. On the other hand, because the gold content of our money is lower than that of French money, our notes are at a discount in France.

Right Hon. Mr. MEIGHEN: There is no gold content in either dollar now.

Hon. Mr. HUGHES: It takes a certain number of dollars to purchase a certain amount of gold.

Right Hon. Mr. MEIGHEN: Oh, yes.

Hon. Mr. HUGHES: That is what I mean. And in the United States, I think, it takes fewer dollars to purchase a certain amount of gold than it does in Canada. I am not sure of that; but the way I put it first is quite correct: the gold content of the American dollar is lower than the gold content of the Canadian dollar. That would be a factor in causing our money to be at a premium in New York.

There was one other thing I wished to state, but it has escaped me for the moment. However, I shall have an opportunity of presenting it in the Banking and Commerce Committee.

There is an impression among some Canadian people that the Government did the banks an injustice.

Hon. Mr. LEMIEUX: The banks say that.

Hon. Mr. HUGHES: All right, the banks say that the Government did them an injustice in taking over the gold at what it cost the banks. Well, my contention is that that was no injustice at all. I want to repeat the statement that it was an action of the Government itself which gave the increased value

to this metal, and that the resulting profit belonged to the Government, which represents all the people of Canada.

Hon. Mr. GORDON: I am afraid I cannot agree with the honourable gentleman. When the gold of the chartered banks was handed over to the Bank of Canada there was not an ounce of it but could have been sold at between $34 and $35.

Hon. Mr. HUGHES: Not until the Bank of Canada gave it that value.

Hon. Mr. GORDON: The honourable gentleman is wrong there. The United States had put a value of $35 on it. It just comes down to this, that an amount equal to 70 per cent of the value allowed to the chartered banks was taken away from fifty thousand persons in Canada and given to all the people of Canada. It was absolutely taken from fifty thousand.

Hon. Mr. HUGHES: It was taken from them at what it cost them.

Hon. Mr. GORDON: What is the use of talking like that? If a man buys a horse for $50, he is not obliged to sell it for $50.

Hon. Mr. HUGHES: That is not the same thing.

Hon. Mr. GORDON: Yes, it is.

Hon. Mr. HUGHES: That is a horse of another colour.

Hon. Mr. GORDON: That is what happened, anyway, whether it was right or wrong. The gold was worth at the time 70 per cent more than the chartered banks were allowed for it.

Hon. Mr. HUGHES: Not in Canada.

Hon. Mr. GORDON: But there was a provision in the Bank of Canada Act, as the right honourable leader has said, by which chartered banks, if they showed they were holding gold against foreign liabilities, would be allowed the excess over $20.67 on the sale of such gold.

Hon. Mr. HUGHES: And that was a very generous arrangement.

Hon. Mr. GORDON: It just comes down to what I have said. It may be right to take property away from one group of people and give it to all the people of Canada, but to my mind it is Socialism in the extreme. My honourable friend, who is nearly always correct, thinks it was right. But in my opinion it was absolutely wrong.

Hon. Mr. DANDURAND: I may be allowed to repeat what was told me by a prominent banker of Montreal. He said: "I asked the Minister of Finance by what authority the Government was taking our gold at a given figure, and the Minister replied that it was taken by virtue of the eminent domain. Those two words, which I think come from the French language, were pronounced by the Minister in such a solemn way that I was awed and did not know what to say."

Right Hon. Mr. MEIGHEN: I do not think the unjust impression should go out that this decision on policy was merely a wholesale eminent domain theft. It certainly was not that. There may be room for debate; and there are those who could debate the question much better than I, because they have a greater knowledge of the facts and perhaps a fuller understanding of the system. But, in the main, what was said by the honourable gentleman opposite (Hon. Mr. Hughes) is right. Canada was forced off the gold standard. The United States went off—I presume that in a certain sense it too was forced off. Prior to that time Canada had paid $20.67 for gold. Canada had empowered the banks of this country to issue notes, conditional upon the banks keeping in their vaults gold reserves, which had to bear a certain ratio to the notes. In this respect the banks were given a very valuable privilege. Then, in order that the currency of this country should bear something of a practical relation to the new value of British currency and to the new value of American currency, the Government said: "We shall have to pay more for gold. We will pay $35." I do not think it can be seriously argued that this made the banks' gold worth $35 to them.

Hon. Mr. GORDON: If they wanted to buy any more gold, how much would they have to pay for it?

Right Hon. Mr. MEIGHEN: Thirty-five dollars, of course. But they do not need to buy gold any longer. However, that is not the point. The people of the United States were forced by world events to pay a higher price for gold, and thereby the price of gold in this country was raised, and the value of our currency in terms of gold was reduced. Now, the banks did not run any risk of a loss. If they did lose as a result of governmental action, it would be the business of the Government to recoup them. But the banks did not purchase the gold for the purpose of making a profit, with the risk of incurring a loss. The gold was not property in the sense that a horse is. A horse might die or go down in value. The gold was merely a holding required by statute as a reserve against a liability, which holding existed because of a certain privilege given to

the banks. It was a protection to the people of Canada. Now, if the nation is bound to give increased value to that holding, is the nation not entitled to that increased value?

Hon. Mr. HUGHES: Why, certainly.

Right Hon. Mr. MEIGHEN: I have said enough to show that this is not at all of the nature of an appropriation from those who have, for the benefit of those who have not—a principle with which I have no sympathy whatever, and which if adopted and put into general effect would mean the end of civilized society. I do not think the Government of the day is capable of an action of that kind. And it certainly is not actuated by any spirit which contemplates such a destructive and demoralizing action.

Hon. Mr. GORDON: Was I not right in my reference to the stipulation in the Bank of Canada Act as to any bank which could show that it held gold against foreign liabilities?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. GORDON: They are not treated accordingly.

Right Hon. Mr. MEIGHEN: Yes, in this Bill.

Hon. Mr. GORDON: No. Under this legislation the banks will receive this profit on only 40 per cent of their gold. Every bank is treated the same.

Right Hon. Mr. MEIGHEN: What the banks held against foreign liabilities would of course be due to action of their own, dissociated from Canadian legislation. And the intent of the Government, as expressed at the time the Bank of Canada Act was put through, and as fully implemented now, was to consider that gold in such light. If the honourable member will look up clause 4 of this Bill he will find it reads as follows:

(1) Any profit resulting from the valuation of the gold in accordance with the provisions of section three of this Act, being the difference between the value of such gold held by the Bank on the date of the coming into force of this Act as computed on the basis established by the Currency Act and its value at current market price, shall be credited by the Bank to a special account in the name of the Minister: Provided, however, that in the case of gold transferred under subsection one of section twenty-eight of the Bank of Canada Act which the Governor in Council has declared under the provisions of section thirty of the said Act was at the time of the transfer being held by a chartered bank against liabilities elsewhere than in Canada, the said profit shall belong to the chartered bank and the Bank of Canada shall determine the said profit on the basis of the current market price for gold on the date of the coming into force of this Act and shall pay such profit to the chartered bank and no further profit with respect thereto shall accrue to such chartered bank, notwithstanding anything to the contrary in section thirty of the Bank of Canada Act.

That is to say, in respect of gold which was there not because of necessity of conforming with Canadian law, but in order that the bank might do its foreign business better, the profit belongs to the bank.

Hon. Mr. GORDON: Exactly. Now what is being done?

Right Hon. Mr. MEIGHEN: This is what is being done, if we pass this proposed legislation.

Hon. Mr. LEMIEUX: What is the modus operandi? How does the profit accrue to the bank?

Right Hon. Mr. MEIGHEN: I have just read the section. It shall be paid to the bank.

Hon. Mr. LEMIEUX: How?

Right Hon. Mr. MEIGHEN: In legal tender of Canada.

Hon. Mr. ROBINSON: Do I understand that under this arrangement the banks get as much for the gold as they paid for it?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. ROBINSON: They do nominally, in dollars and cents. But is it not a fact that the dollar they are being paid now is worth only two-thirds of the dollar they paid for the gold?

Right Hon. Mr. MEIGHEN: It is in terms of gold, but not of commodities.

Hon. Mr. LEMIEUX: With respect to the statement of the honourable member from King's (Hon. Mr. Hughes), while I do not hold a brief for the banks, I must say this to their credit. When on the 4th of March two years ago the President-elect of the United States was appalled by bank failures in every State of the Union, our chartered banks passed through the crisis without a single failure.

Right Hon. Mr. MEIGHEN: That is right.

Hon. Mr. LEMIEUX: We ought to be proud of our banking institutions and not decry them.

Hon. Mr. HUGHES: Nobody that I know of is decrying them.

Hon. Mr. LEMIEUX: I inferred from his

remarks that my honourable friend had some quarrel to pick with our banks. I am glad to find there was no such implication.

When the Bank of Canada Act was passed it was felt that the banks were being deprived of their holdings of gold. The reserves in their vaults were transferred to the Bank of Canada. Of course, the chartered banks were not deprived of that gold, but it passed out of their custody. But they were deprived of the right to issue notes. What has been the result? Many branch banks, in the West and in the East, have been closed. This is not good for the country. I grant there were perhaps too many branch banks, but the farmer has been deprived of the convenience of banking facilities in his town or village. I have been told by bankers of high standing that the transfer to the Bank of Canada of their right to issue notes has deprived the chartered banks of a legitimate source of profit, and as a consequence they have had to close many of their country branches, to the great inconvenience of our rural communities.

Hon. Mr. COTE: May I remind the honourable gentleman from Rougemont (Hon. Mr. Lemieux) that under the Bank of Canada Act passed last session the right of note issue is not taken away entirely from the chartered banks. Their note circulation is to be reduced by 5 per cent each year until the reduction reaches 75 per cent; the balance of 25 per cent of their note issue the banks will retain in circulation. So I do not understand why our chartered banks have already been closing up many of their branches on the ground that they are losing money through being deprived of this right.

Hon. Mr. LEMIEUX: It is a fact, though.

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

REFERRED TO COMMITTEE

Right Hon. Mr. MEIGHEN moved that the Bill be referred to the Standing Committee on Banking and Commerce.

Right Hon. Mr. GRAHAM: There will be one advantage, honourable members, in the Bill being referred to the Banking and Commerce Committee: under present circumstances the chairman will be absolutely independent, because he knows nothing about any of these things.

The motion was agreed to.

LOAN BILL

FIRST READING

A message was received from the House of Commons with Bill 110, an Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: I see no objection to dealing with this measure right now. It merely provides for raising a large sum of money for refunding purposes. There is no question every honourable member wants the Government to be in a position to take advantage of market conditions and refund as rapidly and at as low a rate of interest as possible.

Right Hon. Mr. GRAHAM: What is the amount?

Right Hon. Mr. MEIGHEN: It is not to exceed $750,000,000.

Hon. Mr. LEMIEUX: Is the fund to be used to redeem loans which become due in later years, or obligations maturing this year?

Right Hon. Mr. MEIGHEN: There is nothing in the Bill about compulsory conversion, nor is anything of the kind contemplated so far as I know. Outstanding issues that do not mature for some time can be taken up, and the fact that the new issue will run for a much longer period may induce holders of old issues to accept the new issue although the rate of interest is lower. Thereby we shall be able to put our refunding on a better basis.

Hon. Mr. LEMIEUX: It has been done in England.

Right Hon. Mr. MEIGHEN: And it has been done here.

Hon. Mr. DANDURAND: What are the approaching maturities?

Right Hon. Mr. MEIGHEN: I have no details. I know of one large maturity in 1937. It may be provided for this fall.

Right Hon. Mr. GRAHAM. The tax-free bonds?

Right Hon. Mr. MEIGHEN: That is the last of our tax-free bonds. The maturities this year are rather small. It is unfortunate they are not larger.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: Honourable members, before the Senate adjourns I wish to call special attention to the fact that the Employment and Social Insurance Bill, No. 8, possibly the most important of this session, on which, including Easter, the Committee on Banking and Commerce sat about seven weeks, discussed all the important clauses at length, heard many representations and made fifty-one amendments, some of far-reaching consequence, has been accepted in toto by the other Chamber.

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: I desire to add that the Banking and Commerce Commitee will meet immediately after the Senate adjourns.

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

THE SENATE

Thursday, June 20, 1935.

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

Prayers and routine proceedings.

EXCHANGE FUND BILL

THIRD READING

Bill 101, an Act respecting the establishment of an Exchange Fund.—Right Hon. Mr. Meighen.

WEIGHTS AND MEASURES BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented the report of the Standing Committee on Banking and Commerce on a message from the House of Commons with respect to certain amendments made by the Senate to Bill 70, an Act to amend the Weights and Measures Act.

Hon. Mr. DANDURAND: I should like the right honourable leader to explain the amendments made by the committee.

Right Hon. Mr. MEIGHEN.

Right Hon. Mr. MEIGHEN: The amendment to which the House of Commons took exception was to the effect that in any prosecution under the Weights and Measures Act for under weight or under measure, in the case of pre-packaged goods, the court should disregard any inconsiderable deficiency in a single article, but should have regard to the average over a number of articles of the same class, sold or kept for purposes of sale on the same occasion. The Commons gave as their reason for objecting that this amendment would nullify the effect of section 63, because it would be impossible to show that there was a prevailing deficiency over a considerable number of articles on the same occasion; and they emphasized that the words "on the same occasion" would make the clause very hard to comply with. It will be recalled that the Senate committee inserted this provision in order that there might not be penalties and punishments, which would do great harm to the company or individual whose conduct was in question, unless there was evidence of a practice, or such evidence as indicated a real failure to comply with the law, not merely a nominal or technical failure.

Hon. Mr. LEMIEUX: Criminal intent.

Right Hon. Mr. MEIGHEN: I am glad the honourable senator has mentioned that point. It must be kept in mind that in these prosecutions mens rea is banned. Specifically the Bill says that it shall be no defence for the person prosecuted to plead that he was unaware of the deficiency, that there was no mens rea on his part, that his clerk did the act complained of. The banning of mens rea is an exceptional provision, and while the Senate committee was pursuaded from the evidence given that it was a necessary provision—for otherwise there would be escape in almost all cases—nevertheless it did say that mens rea could be pleaded and established, but only for purposes of diminishing the penalty. It would be no means of escape from conviction. Now, because mens rea was banned, the Senate committee felt it had to be more careful to protect against a conviction for an inconsiderable offence, or rather for a deficiency the inconsiderableness of which was such as to make it no offence at all.

I have detailed the reasons for the Commons' objection. We seek to meet the situation by providing, not as in the British Act—which compels the merchant to sell any number of articles at the same time to an inspector or to anybody who comes in—but by providing that any pre-packaged goods of the

same character as those that were sold under weight, which are found for sale in the possession of the merchant within forty-eight hours thereafter, shall be presumed to have been in his possession at the time of the sale.

Hon. Mr. DANDURAND: On the same occasion.

Right Hon. Mr. MEIGHEN: That would be considered on the same occasion unless the merchant shouldering the onus proved they were not. So it will be possible for the Department to send what is called a "spotter"—I believe, usually a woman—to make a purchase. If an article has been found to be under weight, and an inspector returns within forty-eight hours and finds in similar goods an average deficiency, however small, the court will hold that these goods were there on the same occasion. To secure a conviction it must be proven: (1) that there was a sale of the pre-packaged article that did not measure or weigh what it was stated to measure or weigh; (2) that, within forty-eight hours, actual weight or measure of other goods of a similar character in the same place showed some deficiency, however small.

This, in brief, is the amendment we propose. It certainly meets the objection of the other House, and still it preserves some sort of opportunity for honest-minded persons to show they are not guilty in the case of a mere technical offence respecting a single article.

Right Hon. Mr. GRAHAM moved that the amendments be concurred in.

The motion was agreed to.

MESSAGE TO HOUSE OF COMMONS

Right Hon. Mr. MEIGHEN moved:

That a message be sent to the House of Commons to return Bill 70, intituled "An Act to amend the Weights and Measures Act," and to acquaint that House that the Senate do not insist on subclause 5 embodied in their sixth amendment, but have substituted other amendments in lieu thereof, to which they desire their concurrence.

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. TANNER presented the report of the Committee on Miscellaneous Private Bills on Bill U2, an Act respecting the Hamilton Life Insurance Company, and moved concurrence therein.

He said: The amendments, I may explain, are mere clerical changes recommended by the Superintendent of Insurance.

The motion was agreed to.

THIRD READING

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

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

ST. LAWRENCE RIVER CHANNEL

ORDER FOR RETURN—STATEMENT

Before the Orders of the Day:

Right Hon. Mr. MEIGHEN: Possibly I should make further reference to a complaint voiced yesterday by the honourable senator from Bedford (Hon. Mr. Pope). In his statement to the House the honourable senator mentioned a question which had been on the Order Paper, allegedly for a long time, and was not answered. After consultation with the Clerk, I reported to the House that the question had been answered. It subsequently developed that what the honourable gentleman was referring to was an order made by the House for a return respecting dredging in the channel of the St. Lawrence, and that, as a matter of fact, the return had not yet been brought down.

Having ascertained this fact, I interviewed the Minister of Marine, who explained that the return asked for was an exceedingly extensive and intricate one and that its preparation would take a considerable length of time. Furthermore, he said that at this period of the year his engineers were engaged in outside work and that the usual progress was difficult. Just as soon as the information can be fully systematized and arranged, the return will, of course, be brought down.

ADJOURNMENT OF THE SENATE

Right Hon. Mr. MEIGHEN: I move that when the House adjourns to-day it do stand adjourned until Tuesday next at 8 o'clock.

The Senate, having entirely caught up with its work, will not need to meet in the afternoon to ensure the attendance of members at committees in the morning. Therefore the convenience of honourable senators from the East can be met, and we shall meet at 8 o'clock in the evening.

Hon. Mr. DANDURAND: My right honourable friend might have added that there are no items of business on Tuesday's Order Paper; so we are not delaying any legislation from the Commons.

Right Hon. Mr. MEIGHEN: Nothing is being delayed. The Senate is abreast of its work in every particular.

The motion was agreed to.

The Senate adjourned until Tuesday, June 25, at 8 p.m.

THE SENATE

Tuesday, June 25, 1935.

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

Prayers and routine proceedings.

PRIVATE BILLS

REMISSION OF FEES

Hon. G. V. WHITE moved:

That the parliamentary fees paid on Bill S2, an Act respecting the Cornwall Bridge Company, be refunded to the solicitors for the petitioners, less printing and translation costs.

He said: This Bill, I may state, was rejected by the Commons. In order to permit a refund of the parliamentary fees, which is usual when a Bill is rejected, this motion is necessary.

The motion was agreed to.

Hon. G. V. WHITE, for Hon. Mr. Lynch-Staunton, moved:

That the parliamentary fees paid on Bill B2, an Act respecting a patent of Lillian Towy, be refunded to the solicitors for the petitioner, less printing and translation costs.

He said: The same explanation is applicable, except that this Bill was rejected by the Senate.

The motion was agreed to.

COMPANIES BILL

FIRST READING

Bill 85, an Act to amend the Companies Act, 1934.—Right Hon. Mr. Meighen.

DOMINION TRADE AND INDUSTRY COMMISSION BILL

FIRST READING

A message was received from the House of Commons with Bill 86, an Act to establish a Dominion Trade and Industry Commission.

The Bill was read the first time.

SECOND READING POSTPONED

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

Right Hon. Mr. MEIGHEN: To-morrow. This Bill, like the previous one, will have to stand until to-morrow if the House expects me to give any useful explanation of it. They have reached me too late to be dealt with to-day. The same is true of the Combines Investigation Bill. I am prepared for the others.

CRIMINAL CODE BILL

FIRST READING

A message was received from the House of Commons with Bill 73, an Act to amend the Criminal Code.

The Bill was read the first time.

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of the Bill.

He said: Honourable senators, this measure is a combination of two bills which were introduced into the other House and in process of consideration there were amalgamated. It comprises rather extensive amendments to the Code, particulars of which I can now recite.

The first clause provides a change in the Code provisions affecting racing. The underlined words clearly indicate the changes, and no elaboration is necessary. They are intended to make more workable the facilities originally enacted by Parliament in, I think, 1910, in the so-called Miller Bill, which is better known as the McCall Bill.

Clause 2 provides that the Minister of Agriculture may make regulations for the working of the pari-mutuel system of betting, which system is permissible under the Bill to which I have just referred.

Clause 3 is intended to take away from magistrates a power they seem to have felt they enjoyed, of suspending sentence in a case of conviction for driving a motor-car while under the influence of liquor or narcotics. The clause makes it clear that magistrates shall no longer be guided by two sections much later on in the Code, under which they felt they had power to suspend sentence. The intent of the amendment, of course, is to make it still more difficult for persons who commit this crime to escape without punishment.

The fourth clause provides penalties for, and makes an offence of, misrepresentations advanced in order to secure a passport.

The fifth clause makes alterations in the law with respect to advertisements and the punishment for false advertising. It is one of the many harvests of the Price Spreads Commission. The first alteration is no doubt a correct one, but is not very important. The present law, seeking to give immunity to a person who accepted an advertisement in good faith, though the advertisement was such as the law forbade, declared that any newspaper which in the ordinary course of business published an advertisement in such circumstances should not be within the meaning of the section. It is pretty hard to con-

ceive how a newspaper could be within the meaning of any criminal section. The word "newspaper" is therefore changed to "person."

The next part of clause 5 is of considerable consequence. It provides that anyone who publishes, or causes to be published, an advertisement containing a representation or guarantee of the performance, efficacy or length of life of any product for the purpose of either directly or indirectly promoting the sale or disposal of such product, if such representation or guarantee is not based upon an adequate and proper test, shall be guilty of an offence. That is to say, hereafter if anyone in an advertisement represents that a certain article of commerce, intended for sale, will last so long, unless that person has subjected the article to adequate and proper test to establish that it will last the time stated, he will be guilty of an offence. Similarly he will be guilty if he makes any other representation or gives any other guarantee without a proper test preceding such representation or guarantee.

Hon. Mr. DANDURAND: Would that cover the virtue of a patent medicine?

Right Hon. Mr. MEIGHEN: That would be a very apt illustration. Paragraph (b) of subclause 3 simply states that a test effected by the Honorary Advisory Council for Scientific and Industrial Research or any other public department shall be considered an adequate and proper test for the purposes of this subsection. But the fact that the Advisory Council has given a certificate shall not be advertised. The clause also puts the burden of proof of adequate and proper test on the defendant.

Right Hon. Mr. GRAHAM: Would the section apply to such an advertisement over the radio?

Right Hon. Mr. MEIGHEN: No.

Right Hon. Mr. GRAHAM: There is a good deal of that kind of thing done over the radio.

Right Hon. Mr. MEIGHEN: Apparently it would apply only to publication. I should not be prepared to say that an advertisement over the radio is a publication.

Clause 6 makes other indictable offences. These flow, as do clauses 4 and 5, from the report of the Price Spreads Commission. Clause 6 makes it an indictable offence for any person knowingly to pay a rate of wage less than the minimum wage fixed by law or any competent public authority, inclusive, of course, of a provincial legislature. Paragraph (b) provides that no person may knowingly work any of his employees beyond the maximum hours fixed by law or by any competent public authority. Paragraph (c) provides it shall be an indictable offence to falsify an employment record. Paragraph (d) makes it an indictable offence to punch a time clock with intent to deceive. Paragraph (e) makes it an indictable offence knowingly to put the wages of more than one employee into the same envelope with intent to evade the provisions of any minimum wage law. Paragraph (f) provides it shall be an indictable offence for any person to make "any deduction from any employee's wages for any purpose not warranted by law, unless such deduction has been approved first by a competent public authority." Paragraph (g) makes it an indictable offence knowingly to employ any child or minor person contrary to law. And paragraph (h) says that everyone is guilty of an indictable offence who knowingly "does any other similar act contrary to law or the rules or regulations of any competent public authority."

We now come to section 7. This makes a change of no far-reaching importance, with respect to dealers in second-hand goods. The amendment is made necessary by court findings, which have given a restrictive meaning to the words "other mark," to the effect that they must have the same characteristics as a trade-mark duly registered. The result of these findings has been to impede the intention of the present law.

Clause 8 is new. I say that with emphasis. It provides:

> Every person engaged in trade or commerce or industry is guilty of an indictable offence and liable to a penalty not exceeding one thousand dollars or to one month's imprisonment, or, if a corporation, to a penalty not exceeding five thousand dollars, who
>
> (a) is a party or privy to, or assists in, any transaction of sale which discriminates, to his knowledge, against competitors of the purchaser in that any discount, rebate or allowance is granted to the purchaser over and above any discount, rebate or allowance available at the time of such transaction to the aforesaid competitors in respect of a sale of goods of like quality and quantity.

Exception is made for the case of co-operative societies which distribute earnings in proportion to purchases.

This section also provides that every person is guilty of an indictable offence who

> (b) engages in a policy of selling goods in any area of Canada at prices lower than those exacted by such seller elsewhere in Canada, for the purpose of destroying competition or eliminating a competitor in such part of Canada;

(c) engages in a policy of selling goods at prices unreasonably low for the purpose of destroying competition or eliminating a competitor.

I might say in passing that all this is supplementary to, and concomitant and associated with, a bill to which we have given first reading to-night, to establish a Dominion Trade and Industry Commission.

I now come to clause 9. This alters the wording of the first four lines of section 542, which relates to punishment for cruelty to animals. Under the law as it now stands, no minimum penalty is provided, but this amendment provides a minimum penalty of five dollars and a maximum of five hundred dollars.

Clause 10 repeals subsection 2 of section 749 and substitutes a new subsection. The old subsection, which relates to the power of judges or stipendiary magistrates sitting in appeal in Saskatchewan, Alberta, the Northwest Territories and the Yukon Territory, provided:

The judge or stipendiary magistrate hearing any such appeal shall sit without a jury at the place where the cause of the information or complaint arose, or at the nearest place thereto where a court is appointed to be held.

The new subsection provides that the clause in its original plenary effect shall apply to a judge or stipendiary magistrate in the Northwest Territories and the Yukon Territory; but in so far as Saskatchewan and Alberta are concerned the clause states only that the judge or stipendiary magistrate shall hear such appeal without a jury. As to where the judge or magistrate shall sit there shall hereafter be no restriction in these two provinces. I understand this new subsection is requested by one of the Attorneys-General.

Section 11.—The purpose of this amendment is to limit the application of subsection 2 to the provinces of Ontario, Quebec and Nova Scotia. It provides that

the jurisdiction of a magistrate who is one of those mentioned in section seven hundred and seventy-four is absolute and does not depend on the consent of the person charged to be tried by such magistrate in cities having a population of not less than 25,000 according to the last decennial or other census.

The law already applies to the other provinces under another section, but there is some slight contradiction between the two. The amendment removes that contradiction.

Hon. Mr. DANDURAND: Have the Attorneys-General of those provinces recommended the amendment?

Right Hon. Mr. MEIGHEN: This amendment is made at the request of the Attorneys-General of British Columbia, Alberta, Saskatchewan and Manitoba.

Section 12.—The old Manitoba Act requires only six jurors to be sworn in civil and criminal cases. The Province of Saskatchewan is arranging now for only six jurors in civil cases, and has requested that the same procedure be followed in criminal cases. The purpose of this amendment is to restrict jurors to six in criminal cases in these two provinces.

Section 13 is merely an accommodation of section 929 to the preceding amendment.

Section 14 is somewhat lengthy, but its effect is simple. It provides that any person undergoing imprisonment in a penitentiary, reformatory or other like institution, who at the time of his imprisonment is a mental case and confined as such, shall on the termination of his sentence, however effected, be under the supervision and control of the Minister of Health of the province concerned.

Section 15.—The object of this amendment, which was suggested by the Attorney-General of British Columbia, is to give to the Crown the right to appeal to the Supreme Court of Canada on questions of law where there has been dissent in the court of appeal.

Section 16.—The purpose of this amendment is to limit to questions of law alone the right of any person to appeal to the Supreme Court of Canada against the setting aside of his acquittal by the court of appeal of a province. Any person tried jointly with such acquitted person, and whose conviction was sustained by the provincial court of appeal, may appeal to the Supreme Court of Canada against the sustaining of such conviction, but only on a question of law.

Section 17.—This amendment is a matter of detail, to allow a magistrate under Part XVI of the Code, on a conviction for an indictable offence, to allow similar fees for justices, constables, witnesses and interpreters as are allowed under Part XV of the Code on a summary conviction.

The House will note that the amendments are extensive, and that in some respects they are exceedingly important. No doubt there will be some discussion on the score of validity, particularly with respect to sections 4, 5 and 6.

Hon. Mr. DANDURAND: And 8.

Right Hon. Mr. MEIGHEN: Sections 4, 5 and 6 are the amendments which purport to impose penalties fixed by the Parliament of Canada in respect of violation of provincial statutes creating offences. We have for some forty-five years, I believe, undertaken to fix penalties for violation of such provincial laws, and our power to do so stands as yet unchallenged. There are, however, those who dispute that right. Any objections on constitutional grounds to clause 6 would, I I fancy, relate to our right to legislate on

the basis I have mentioned, however valid that basis may be. Section 5, making it an offence to advertise a thing of such and such quality, endurance and efficacy, without the prerequisite test by a proper authority, or by proper and adequate means, has also been the subject of some debate with respect to its constitutionality. Honourable members will have no difficulty in penetrating to the reasons for the doubt. Some persons contend it is a matter of civil rights, and therefore not of such a character that the Parliament of Canada can make it a criminal offence. I am not seeking to intimate that I share in any degree the doubt as to the validity of this section on that or any other ground.

Section 4, providing penalties for making untrue or misleading statements to procure a passport, has also had doubt thrown upon it. I say this because I notice the section has been quoted in debates in another place as being attacked. For the life of me I can see no reason in the world for questioning its validity.

The honourable senator opposite (Hon. Mr. Dandurand) has indicated there may be doubt as to section 8. This is indeed a section of far-reaching consequence. The section makes it an offence to sell at different rates of discount, rebate or allowance goods of like quantity or quality. The reasons for attack would be analogous to those with respect to section 5.

I have not only outlined the effects of the different sections, but intimated certain features to which honourable members should give special attention. It is my purpose after the second reading to move that the Bill be referred to the Committee on Banking and Commerce. It does not seem quite appropriate that a Bill amending the Criminal Code should go to that committee, but it is appropriate in this special case because new offences are created in the realm of commerce.

It is only fair to say that this measure is an effort, possibly a strained, but undoubtedly a conscientious effort, to go the full length this Parliament can go, even if it subjects itself to being challenged later, in removing what the public thinks to be, and what a commission appointed by the Government of Canada found to be, unfair, unjust, deleterious and harmful practices which have grown up in modern industry.

Hon. RAOUL DANDURAND: I do not intend to discuss this Bill clause by clause, for my right honourable friend has already thrown considerable light on the extent of the proposed amendments. However, I know that grave doubt exists as to the validity of some of these sections. I understand that in another place the Minister of Justice expressed some doubt as to the constitutionality of certain sections and cited opinions obtained from learned counsel. I think before we proceed further my right honourable friend should incorporate those opinions in Hansard.

Right Hon. Mr. MEIGHEN: To save the time of the House, I will ask that the opinions which I shall hand in be printed in to-day's report. All that I have are the opinions of Mr. Tilley and Mr. Geoffrion. For the convenience of honourable members who do not like to read legal verbiage I will summarize them.

As respects clause 4, although apparently it was referred for opinion, I find no opinion which in any way impugns its validity.

As to clause 5, officers of the Department of Justice, I understand, are doubtful of its validity. Mr. Tilley is unequivocal in expressing the view that the clause is wholly valid. Mr. Geoffrion is doubtful, and inclines to the opposite view.

As to clause 6, the Department of Justice has expressed no opinion that I have been able to find. Mr. Tilley expresses the view that subclause (a) is quite doubtful, and definitely says he is inclined to the belief that it is invalid. Clauses (b) and (c) he believes to be within our powers. It only remains to give Mr. Geoffrion's opinion. He rather groups the clauses together, and it is difficult to extricate just what he intends to apply to clause 6 alone. His opinion on any subject of law is certainly of interest, and as this opinion is brief, I shall quote it. He says:

> In conformity with your letter of the 6th instant, I have read the Bill to amend the Criminal Code, sections 4, 5 and 6, with a view of giving my opinion as to the powers of Parliament to adopt it.
>
> I believe this is good criminal legislation, therefore within the Dominion's powers, except possibly paragraphs (a) and (b) of section 415A as enacted by section 5 of the Bill.

That is my justification for saying he throws doubt on the validity of section 5. He does not go further in relation to clause 6, but proceeds to give his reasons. Inasmuch as he says that the legislation is within the power of Parliament, except for paragraphs (a) and (b) of section 415A as enacted by section 5 of the Bill, it must be taken for granted that he supports the validity of clause 6.

Hon. C. C. BALLANTYNE: Honourable senators, I had never seen this Bill before I heard my leader read parts of it to-night.

I sincerely trust that the validity of clause 6, which amends section 415A of the Code, is in question. Take paragraph (b), which says:

—permits an employee to work beyond the maximum hours fixed by law or any competent public authority.

A milk driver, for instance, delivering milk in the morning, may be delayed by inclement weather, heavy snow storms or something of that kind. If he is allowed to work beyond the hour specified a severe penalty is imposed.

Right Hon. Mr. MEIGHEN: That would not be a violation of the law, because it provides for such emergencies.

Hon. Mr. BALLANTYNE: Then we will say the weather is fine, but that he has so much milk to deliver that he runs an hour over his time.

Hon. Mr. CALDER: Another emergency.

Right Hon. Mr. MEIGHEN: I do not think that is covered. However, we shall come to that in committee.

Hon. Mr. BALLANTYNE: I may say that I am going to have considerable objection to some of these provisions, and more particularly to the one respecting section 498A. It certainly was not a business man who drew that section.

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

Hon. Mr. DANDURAND: I suppose these opinions will be given to Hansard.

Right Hon. Mr. MEIGHEN: Yes.

OPINION OF MR. TILLEY

Section 4 is, in my opinion, clearly intra vires. Section 5 is also, I think, intra vires. Legislation regarding minimum wages and maximum hours of labour must, except in cases where the Dominion has a special jurisdiction, be enacted by provincial legislatures, and the legislature may of course create sanctions for the enforcement of its laws; but this does not prevent the Dominion from making certain practices, in evasion of provincial law, crimes and of punishing them as such. The result may be an inconvenient exposure to a double liability, but that possibility affords no argument against the right of the Dominion to exercise its powers.

Subsection 1 of section 6 is, I think, of very doubtful validity, but sections 2 and 3 are, I think, valid.

Subsection 1 does not prohibit any contract between the seller and the purchaser for the sale of goods. It attaches penal consequences to the seller granting more favourable terms to competitors of the purchaser. It seems to me to be an attempt to interfere with provincial rights and an encroachment on the provincial legislative jurisdiction. There is nothing in the nature of the transactions themselves or in the language of the subsection to indicate that the public interest is being protected or that a wrong against the community is being prevented. The object seems to be to compel traders to sell to all competitors on uniform terms having regard to quantity and quality. It seeks to regulate dealings by a trader with those who are as amongst themselves competitors, and will apply largely to transactions entirely within a province. There is no compulsion to sell to all such competitors who desire to make purchases, but if sales are made and the contracts are not on the prescribed footing, the seller, according to the subsection, commits a crime. No purchaser is obliged to pay what his competitors pay and may secure more favourable terms by purchasing from a seller who has no transactions with his competitors. Accordingly, a seller may commit a crime if he meets the terms offered by one of his competitors. It is somewhat difficult to understand how such an interference with the contractual liberty of a particular trader can genuinely be determined by Parliament to be in the public interest. The court is entitled to consider whether Parliament has so genuinely determined or has attempted under the guise of criminal law to control the civil rights of persons entering into commercial contracts within the province. The subsection does not prohibit transactions of a class particularly described; indeed all the contracts made with the purchaser and his competitors would seem to be valid notwithstanding the provisions of subsection 1. The sole test of criminality is, has a trader carrying on business in competition with other traders given more favourable terms to a purchaser than he has accorded to the competitors of the purchaser. A trader making a sale on particular terms may, therefore, commit a crime, whereas his competitor making the same sale would not. It is difficult to express an opinion on the question whether the court will hold that legislation which takes the form of criminal law is colourable and is in substance an invasion of the provincial field. All I can say is that in my opinion the subsection is of very doubtful validity, and I incline to the view it is invalid.

Subsections 2 and 3 prohibit engaging in policies of selling at lower prices in a particular area than elsewhere for the purpose of destroying competition or eliminating a competitor and selling at unreasonably low prices for a similar purpose. I think the court would hold that Parliament genuinely determined that the commercial activities described in these subsections were to be suppressed in the public interest and would maintain the validity of the subsections. I am of opinion that the court would treat these subsections as separable. If the provisions of section 6 were embodied in three sections, they would clearly be separable and I can see no reason for making a distinction because they are in subsections. While the second and third subsections might not as between themselves be separable, they are I think separable from the first subsection.

OPINION OF MR. GEOFFRION

Sir,—In conformity with your letter of the 6th instant, I have read the Bill to amend the Criminal Code, sections 4, 5 and 6, with a view of giving my opinion as to the powers of Parliament to adopt it.

I believe this is good criminal legislation, therefore within the Dominion's powers, except possibly paragraphs (a) and (b) of section 415A as enacted by section 5 of the Bill.

I take it that, generally, these paragraphs aim at punishment for violation of provincial legislation respecting minimum wages and maximum hours. Of course, there can be no doubt in so far as federal legislation on that subject is concerned. The majority of cases would, however, be covered by provincial laws because the subject of minimum wages and maximum hours of labour is, it seems to me, normally a provincial subject.

I know the Dominion Parliament has already claimed power to decree punishment for the violation of a provincial statute; section 164 of the Criminal Code is an example of that, and this has never been challenged, but I doubt the validity of such an enactment in view of section 92 of the British North America Act, paragraph 15, which gives to the provincial legislature exclusive legislative power concerning the imposition of punishments for enforcing any law of the province, et cetera, et cetera. If the Dominion can decree a punishment for the breach of a provincial law, it can do so whether the province has decreed one or not. The legislative power in that respect ceases to be exclusive, notwithstanding the terms of the British North America Act, and the Dominion statute must prevail, so that the provincial legislature enacting mandatory or prohibitory provisions will be exposed to have a punishment attached to its orders quite different from the one it desired. The power to order and the power to punish for disobedience should logically be united.

I would think the words "criminal law" in section 91 should be restricted by paragraph 15 of section 92, just as "marriage" in section 91 is restricted by "solemnization of marriage" in section 92, the general words in the assignment to the Dominion in both cases being restricted by the special exclusive assignment to the province.

I do not think, however, that these provisions, if unconstitutional, would affect the validity of the rest of the Act.

Yours truly,

A. Geoffrion.

SOLDIER SETTLEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 62, an Act to amend the Soldier Settlement Act.

The Bill was read the first time.

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of the Bill.

He said: There is nothing difficult about this measure. It provides that certain employees under the Soldier Settlement Act who hold positions of indeterminate duration shall, upon concurrence by the Governor in Council in a certificate issued by the Director of Soldier Settlement, become permanent employees within the meaning of the Civil Service Act, and in all respects subject to the provisions of that law. The Soldier Settlement organization has been in existence for approximately fifteen or sixteen years. Some of the officials have been in that employment for a long time, and I presume it is thought wise to have them put upon a permanent basis.

Hon. RAOUL DANDURAND: This may be very good law, but I am not quite satisfied that it is. I fear that these general enactments may go much beyond what one would suspect. I should have thought the right honourable gentleman would have stated the number of employees or officers covered by this legislation. I remember the Calder Act. This is a blanketing-in, as permanent employees, of provisional employees who have not been members of the Civil Service. They may be few or they may be many. My right honourable friend has said that Soldier Settlement has been in operation now for some fifteen years, and has intimated that we can well afford to bring into the Civil Service and treat as permanent those employees of the Soldier Settlement organization who have been with it from the beginning. But I always fear the liberality of enactments of this kind at a time when we should expect a reduction of staff rather than an increase. I do not know how long these people will be required, or whether they could be drawn into other services when their Soldier Settlement work is over. I am a little fearful of the effect of such legislation upon the treasury.

Right Hon. Mr. MEIGHEN: The employees number 333. Ninety-eight per cent are ex-service men. At the peak of Soldier Settlement work the organization numbered as high as 1,594. Of the 333 now employed, only those whose positions are considered to be of permanent necessity will become permanent employees. Lately the supervision of the land settlement work of the Department of Immigration has been transferred to the Soldier Settlement organization. It is expected that this work will last a considerable time. The Director has under his authority some 21,000 properties.

Right Hon. Mr. GRAHAM: May I ask why a statute is necessary? This blanketing-in of so-called temporary civil servants has been going on for a number of years. Why is a law necessary to bring in this class?

Right Hon. Mr. MEIGHEN: I think the situation is this. Under the Civil Service Act certain temporary employees may be made permanent without statute; but the Soldier Settlement organization has never

been under the Civil Service Act in any way. Doubtless a statute is necessary or one would not have been introduced.

I should have mentioned that in 1928 and 1929 the former Minister favoured such action. A committee of the House of Commons examined into the situation and reported favourably. If the right honourable gentleman reads the debates which took place in the other House he will see that Mr. Mackenzie was a member of that committee, and that the legislation was passed over owing to pressure of business. I know the committee agreed that such a Bill ought to be put through.

Hon. Mr. GILLIS: Will this include the class of officials known as supervisors?

Right Hon. Mr. MEIGHEN: All employees.

Hon. Mr. CALDER: I imagine this Bill is very necessary for many reasons. When this organization was started, about fifteen years ago—

Right Hon. Mr. MEIGHEN: Seventeen years ago.

Hon. Mr. CALDER: —about 1920, there was a tremendous agitation to get soldiers on the land. That agitation, which was very extensive and very persistent, resulted in the creation of a large organization to carry on the work. Those responsible for the administration of affairs at that time felt, I think, that this large organization would not continue to be necessary, and that it would come to an end, or at all events be greatly reduced in numbers. Consequently those who were employed were not brought in under the Civil Service Act.

That time has long passed. There have been one or two drastic reductions in staff, and I think this proposed action is past due. There are, as the right honourable gentleman has said, some 300 employees—scattered over the Dominion, I presume—carrying on this work. I doubt very much if they could be drafted into the Civil Service without an Act of this kind. These men have been permanent, in a sense, from the start, and I doubt whether, unless it is so provided in the original legislation, they would be entitled to the privileges other civil servants enjoy. For instance, I do not think a man who has worked for fifteen years in this department would be entitled to superannuation.

Right Hon. Mr. GRAHAM: There are many in a similar position now.

Hon. Mr. CALDER: There must be. So I think the legislation is necessary. I do not think there is anything to be feared, because there has been a considerable weeding out, and the number of employees has been reduced from 1,500 to 300. That is an indication of what has taken place. But even under this Bill the Director must make a recommendation to the Governor in Council, and then the Governor in Council must decide whether or not the recommendation shall be approved.

There are many similar organizations in the service at the present time. I cannot name them offhand, but I know they exist. I dare say that some of the legislation going through Parliament at the present time will necessitate just such a staff as was required for Soldier Settlement. Those taken on at first will be temporary, and the Civil Service Commission will have nothing to do with their appointment. I think that is advisable until those who are charged with the administration have felt their way and know what is likely to be required in the matter of staff. Then, in a comparatively short time, there should be a clean-up, as there has been in this case.

Right Hon. Mr. GRAHAM: What I have in mind is this. Is this but the start of something which, it will be urged, should be applied to every branch of the Government? We all know there are men who have been employed for twenty years—some of them longer—but have not been made permanent in the technical sense.

Hon. Mr. CALDER: Do you not think they should be?

Right Hon. Mr. GRAHAM: I do. Governments have been blanketing employees in, perhaps with the consent of the Civil Service Commission. When it is discovered that one class of employee is being taken in on the recommendation of the Director, is it not natural that others should urge that legislation be passed making them permanent?

Hon. Mr. GRIESBACH: The only obligation involved is in relation to pension. Apart from that, no great favour is conferred. It is my understanding that one of these employees has to pay up the arrears of assessment in order to secure any decent sort of superannuation. If he has served for fifteen years, in order to retire with a pension based on thirty years' employment he has to serve a further fifteen years and make double contribution during that period.

Right Hon. Mr. GRAHAM: Is it so provided in the statute?

Hon. Mr. CALDER: Once he becomes a permanent official he has that right.

Hon. Mr. GRIESBACH: To pay up. When the temporary employees of the Department of Pensions and Health were taken in they had some twelve years' service to their credit. In order to be placed in the position they would have occupied had they belonged to the permanent service from the very beginning, they have had to contribute ten per cent of their salaries instead of the usual five per cent. So after all is said and done, you are not conferring any great privilege upon them.

Right Hon. Mr. GRAHAM: Still, they like it.

Hon. Mr. CALDER: Yes, they like it.

Hon. Mr. GRIESBACH: Yes. There is another possibility, that some of these men may receive more pay as temporary employees than they will as permanent employees when they are properly classified. There was thought to be a certainty of tenure of employment on the permanent staff, but the last three or four years have disclosed that there is no such certainty. So the only privilege these employees receive is superannuation, and they have to buy that.

Hon. Mr. DANDURAND: I see no objection to classifying as permanent all those who have been in the service fifteen years, or ten years, but I fear that if there is a general blanketing-in it will cover many men who have joined the service only lately.

Hon. Mr. GRIESBACH: I see nothing in that. The first question is whether this is a permanent service. Has it been disclosed by experience that this service will be needed for a considerable number of years? If that question is answered in the affirmative, then it is in the interest of the State to take into the permanent service all the employees, even those who have been appointed recently. It is not a good thing to have men in this branch of the service paying ten per cent of their salaries for superannuation, when other employees are paying only five per cent. Ten per cent is too large a deduction from a man's pay, and it might result in repercussions of an unpleasant kind. There should be no undue delay in making these employees part of the permanent staff, once it is established that the service in which they are engaged is going to be needed for a long time.

Right Hon. Mr. GRAHAM: I do not wish to be considered for one minute as objecting to something of this kind, but I would point out that this service has not as strong claims for such legislation as have some other branches of the Civil Service in the city of Ottawa. Go into any department and you will find some men, and perhaps women, who have been doing permanent work for years, but have never been able to be blanketed in, as we say. They have not the privilege of promotion, to start with.

Hon. Mr. HARMER: The Printing Bureau.

Right Hon. Mr. GRAHAM: They have not a statutory claim to promotion as provided by the Civil Service Act. Now, it is a considerable handicap for a man who has been employed many years in a department, where he is perhaps almost indispensable, to have no claim to promotion because he is classed as a temporary employee. I want to say that I think it will come about in time—and I am in favour of it—that every person who is in fact permanently employed in the Government service will be made a civil servant under the law, with all the privileges that the law gives.

Hon. Mr. CALDER: Honourable members, we are overlooking one feature. All who enter the permanent Civil Service must pass a competitive examination. They must show that they possess certain qualifications. I am not talking of the higher classes of technical men, because I presume they are accepted on the basis of their university examinations. But if anyone wants to join the permanent Civil Service as a clerk, stenographer, book-keeper or employee of almost any other kind, he must pass an examination. Those who are taken on as temporary employees are not required to pass such examination. So if all temporary employees were drafted into the permanent service we should be taking them in without their having passed the required tests, and that in itself would be a big thing. I quite agree with the right honourable gentleman from Eganville (Right Hon. Mr. Graham) that in the service a considerable number of employees classified as temporary have been on the pay-roll for many years. I dare say that some of those were appointed to temporary positions simply because they could not or would not pass the required examinations.

Right Hon. Mr. GRAHAM: Many of them, perhaps, before there were examinations.

Hon. Mr. CALDER: Yes, some of them, undoubtedly, before there were examinations. It seems to me that there should be a clean-up, because in the public service of Canada there are many men who have been employed for twenty, twenty-five, and even perhaps

thirty or forty years, who still are on the temporary list. They are not entitled to superannuation or any privileges provided by the Civil Service Act with respect to promotion and other things.

In connection with this Bill, I do not know what position these three hundred will be in once they are drafted into the permanent Civil Service. What will be their rights? Will they be entitled to promotion, and if so will their past service be taken into account? I think that what the honourable senator from Edmonton (Hon. Mr. Griesbach) says about superannuation is correct. Once they are placed on the permanent list they will be entitled to credit for the number of years they have served, but if they wish that time to count in connection with superannuation they will have to pay the full amount for such time. I know of an instance out west. One of our leading civil servants was in the Government employ for thirty years, but he was not under the Civil Service Act. He was permitted to come in under that Act provided he paid towards superannuation the amount that he would have paid had he been contributing to the fund during all that period. As a result he paid in about $5,000 in one lump sum. And I dare say that if this Bill is passed these three hundred employees in question will have the right to the benefits of superannuation provided they make the required payment for every year they have been in the service. Unless they make that back payment, their time for superannuation purposes will count only from the date of their being placed on the permanent list. However, there are a number of features in connection with the Bill that should be explained before it is put through.

Now, as to a clean-up—I am sure there is need for one in connection with most of the departments—it might be advisable to have the deputy ministers of the various departments, the Civil Service Commission and perhaps some other person decide who should be blanketed into the permanent service. Under this Bill the Director of Soldier Settlement makes a recommendation as to any employee whom it is desired to have made permanent. It might be well to go further and have the Government look forward to dealing with the other branches of the Civil Service within the year.

Right Hon. Mr. GRAHAM: I realize that I am speaking too often. At the present time the Deputy Minister, I think, recommends to the Civil Service Commission those employees who he thinks ought to be blanketed in. My honourable friend has brought up a new feature of this Bill. It is the Director of Soldier Settlement who makes the recommendation in connection with any employees in that department, and it is made not to the Civil Service Commission, but to the Governor in Council. That is a different thing altogether.

Hon. Mr. CALDER: I see the point. Under the present law, relating to all the departments, the Deputy may recommend to the Civil Service Commission that a certain person in his department be made permanent. Then the Civil Service Commission decides whether to accept the recommendation or not.

Right Hon. Mr. GRAHAM: Yes. Then, if it is accepted, it goes to the Governor in Council.

Hon. Mr. CALDER: But under this Bill the Director of Soldier Settlement makes the recommendation directly to the Governor in Council.

Hon. Mr. SINCLAIR: Honourable members, if I understand the situation correctly, all promotions have been suspended during the last few years.

The honourable senator from Saltcoats (Hon. Mr. Calder) has informed us that these employees of the Soldier Settlement Board have been employed as temporaries, but not under the provisions of the Civil Service Act. My understanding was that the staff of the Soldier Settlement Board were appointed as temporaries, under the provisions of the Civil Service Act, and that they came in after examination, as all who enter the service are required to do. Now this has opened up a new question. If it is recommended that people who have been taken into the department without examination be now placed on the permanent staff, what check will there be as to their ages? Some of them may be over the age limit and not eligible to be blanketed in under the Civil Service Act. Is it the intention of the right honourable leader to refer this Bill to a committee, in order that we may have an opportunity of going into details?

Right Hon. Mr. MEIGHEN: That intention has been growing on me lately. I intend to move that the Bill be sent to the Standing Committee on Civil Service Administration.

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

REFERRED TO COMMITTEE

Right Hon. Mr. MEIGHEN moved that the Bill be referred to the Standing Committee on Civil Service Administration.

Hon. Mr. DANDURAND: This committee has not been given very much work lately.

Right Hon. Mr. MEIGHEN: No.

Hon. Mr. DANDURAND: I hope the committee will be able to obtain first-hand information from the Director of Soldier Settlement as to the staff, how long they have been employed, and so on. And perhaps we should have a list of the salaries. It seems to be a rather important move to bring into the permanent service some three hundred persons who agreed to accept temporary employment, but I am quite sure that some of our misgivings will be removed after the committee has done its work.

Hon. Mr. MOLLOY: It might be interesting to have the House informed as to the number of those employees who are drawing pensions.

Right Hon. Mr. MEIGHEN: Does the honourable gentleman mean military pensions?

Hon. Mr. MOLLOY: Yes.

Right Hon. Mr. MEIGHEN: There are bound to be some, I should think. But since the War—and indeed while the War was on—both Houses laid down the rule that the right to pension is entirely independent of any earnings a man is able to make in addition. I have not the required information now, but I am sure it can be obtained in the committee.

Right Hon. Mr. GRAHAM: The pension depends on the man's disability.

Right Hon. Mr. MEIGHEN: Yes.

The motion was agreed to.

COMBINES INVESTIGATION BILL

FIRST READING

A message was received from the House of Commons with Bill 79, an Act to amend the Combines Investigation Act.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Honourable members, this is one of those measures which I mentioned as having come over so late that I could not understand their purport in time to make an explanation. However, with respect to this Bill I have been able to overcome that handicap in the last fifteen minutes.

The Bill amends the Combines Investigation Act. Everyone knows the purposes of that Act. It has been administered heretofore under the Minister of Labour, and the chief officer has been a registrar. There is provision for the registrar's officials, examinations by them, hearings, reports to the Minister, discretion of the Minister and so forth. The whole system is altered by this measure; it is all delegated to a commission.

Right Hon. Mr. GRAHAM: The Tariff Board.

Right Hon. Mr. MEIGHEN: I think it is the Tariff Board which becomes the commission in the premises.

Hon. Mr. DANDURAND: It will be delegated to the Dominion Trade and Industry Commission, if the Bill passes.

Right Hon. Mr. MEIGHEN: Yes, the Dominion Trade and Industry Commission, which is the present Tariff Board. The amendments almost entirely are incidental to that alteration. There are, however, other features. "Merger" is defined: it is not defined in the present Act. There are alterations to various sections of the Act. The duties of the Commission are set out in section 4, and they can be compared with the duties of the registrar, which are given on the opposite page of the Bill. Provision is made for applying to the Commission with respect to any agreement affecting industry. It appears to be recognized that some latitude must be allowed. In fact, it has always been so, because even under the present rigid law an agreement could not be banned unless it was such as worked against the public interest. Provision is made for inquiry as to whether or not any proposed or existing agreement is against the public interest. The Inquiries Act is made applicable, and the Commission is given powers to conduct inquiries and to keep witnesses in hand. They are not allowed to insult the commissioners.

Right Hon. Mr. GRAHAM: What is the good of being a witness?

Right Hon. Mr. MEIGHEN: The Privy Council has ruled that a commissioner must not insult a witness.

Provision is also made for expenses of witnesses, taking evidence in foreign countries, and evidence upon affidavit or written information. No person is excused from giving evidence on the ground that it may incriminate him. Counsel may be instructed to conduct investigations. "Contempt" is defined, and penalties are provided for those failing to attend or to produce written returns and information.

It is the intention, of course, to refer the Bill to the Banking and Commerce Committee.

Right Hon. Mr. GRAHAM: I expect the Minister will find Labour pretty strongly arrayed against some sections of the Bill.

Right Hon. Mr. MEIGHEN: I had not heard of that. If it is the case, I think I can assure my right honourable friend that this House will be on the side of intelligent Labour.

Right Hon. Mr. GRAHAM: As usual.

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

FRUIT, VEGETABLES AND HONEY BILL

FIRST READING

A message was received from the House of Commons with Bill 95, an Act respecting Fruit, Vegetables and Honey.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: This Bill will be referred to the Committee on Agriculture and Forestry. I am satisfied it will require amendment. Its purpose is to consolidate the two Acts respecting vegetables and fruit and honey, and so simplify their administration. But it has another purpose—to give effect to the report of this illustrious and immortal Price Spreads Commission; only, however, to the extent of making inspection at canning factories compulsory. I believe that in the past, when voluntary inspection has become general, the industry has desired that it be made compulsory. That stage has been reached in relation to fruit and vegetables and honey. Consequently the Price Spreads Commission recommended that inspection should be made compulsory. Section 6 provides that produce may be detained at the risk and expense of the owner. Essential provisions of the other two measures are re-enacted.

Right Hon. Mr. GRAHAM: Is the word "export" used for trade between provinces?

Right Hon. Mr. MEIGHEN: Yes. I am sorry to inform the right honourable senator from Eganville (Right Hon. Mr. Graham) and the honourable senator from Queen's (Hon. Mr. Sinclair) that the word is defined to mean "export out of Canada or out of any province to any other province thereof."

Right Hon. Mr. GRAHAM: I am not a member of the Committee on Agriculture, but I may say I am opposed to applying the word "export" to interprovincial trade.

Right Hon. Mr. MEIGHEN: The honourable senator from Queen's is a member of that committee.

Right Hon. Mr. GRAHAM: It will be only another step to raise a tariff between provinces.

Right Hon. Mr. MEIGHEN: I am sure if the honourable gentleman from Queen's cannot think of a better word no one else can.

Right Hon. Mr. GRAHAM: I shall expect my honourable friend from Queen's to find a more suitable word to describe the sale of a bushel of potatoes by a person in Quebec to a person in Ontario, or vice versa.

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

RADIO BROADCASTING BILL

FIRST READING

A message was received from the House of Commons with Bill 99, an Act respecting Radio Broadcasting.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: This is merely an extension of the powers of the Radio Commission. I suggest that it be referred to the Banking and Commerce Committee. I may say in advance that there important amendments will be suggested.

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

POST OFFICE BILL

FIRST READING

A message was received from the House of Commons with Bill 100, an Act to amend the Post Office Act.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: The Post Office Act provides that a contract for collecting and carrying mails may on its expiration be renewed for a term of four years. For many decades it has been the practice to interpret this as meaning

that at the end of each four years the contract may be renewed if considered in the public interest. To my mind no such interpretation is justified. The section intended that the contract be renewed for only one term of four years. This Bill substitutes for "term" the words "or terms," and thereby enables subsequent renewals to be made for four years. It is to be retroactive in order to legalize such renewals as have been made in the past.

Hon. Mr. DANDURAND: I notice that an expiring contract may be renewed "for a further term or terms not exceeding four years each." Does that imply renewal on the same conditions?

Right Hon. Mr. MEIGHEN: I should think so. It would not be a renewal if a new contract were made.

Hon. Mr. DANDURAND: The amendment bears on the term; but the renewal, as my right honourable friend says, would be of the contract itself.

Right Hon. Mr. MEIGHEN: I think I shall have to amend my answer, because the original section empowers the Minister to renew "on conditions advantageous to the public interest." There is no change of the law in that respect; therefore the Minister could alter the contract so long as the change was considered to be in the public interest.

Hon. Mr. DANDURAND: So it would be a new contract.

Right Hon. Mr. MEIGHEN: I presume it would be.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DOMINION FRANCHISE BILL

FIRST READING

A message was received from the House of Commons with Bill 109, an Act to amend the Dominion Franchise Act.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: Under the Dominion Franchise Act of 1934 provision is made for the appointment of a Franchise Commissioner. Colonel John Thompson was, I believe, appointed by unanimous resolution of the House of Commons. That House, of course, is the branch of Parliament affected by this measure. The Commissioner is empowered to appoint registrars. Provision is made for compiling lists of electors, and for the registrar to say whether a prima facie case has been made out for removal of any name. Having so determined, the registrar must send notice to the person affected, at the address given in the voters' list, to afford him or anyone on his behalf opportunity to rebut the prima facie presumption. In the event of an adverse ruling it may be appealed before a judge. In one case only—and my information comes, though not directly, from the Commissioner—a judge held that he had the right to review the decision of the registrar, and, if in his judgment there was no prima facie case, to order the name to be retained on the list.

Honourable members will see at once that under such a ruling the registrar would be virtually functus officio from the start, and the purging of the voters' lists would become an absolute impossibility. If more than a prima facie case has to be made out—if, for example, a daughter produces an affidavit that her mother died, and was buried on a certain date, and the registrar decides that is a prima facie case for the removal of the name, but the judge rules that the registrar should require production also of a death certificate and probate of the will—I am afraid it will be impossible to complete compilation of voters' lists.

This is the operative amendment:

> Upon the hearing of any such appeal from any final ruling which the Registrar of Electors, sitting as a Court of Revision, may, in the exercise of his discretion, have made, placing, retaining or removing the name of any person on or from the list of electors of any polling division in the electoral district of such Registrar, the Judge shall not rescind such final ruling of the Registrar nor order that the name of such person shall be placed, retained or removed on or from the list of electors for any polling division of such electoral district, except evidence satisfactory to the Judge has been adduced at such hearing that such person is a qualified elector whose place of residence is in the said polling division and that his name should be placed or retained on such list, or that such person is not a qualified elector whose place of residence is in said polling division and that his name should be removed from such list.

The second clause provides that when the judge has given his decision he shall report it in writing to the registrar.

Hon. Mr. DANDURAND: I should have no objection to this amendment but for the fact that I feel it would be dangerous to pass

retroactive legislation and wipe out a judgment already rendered.

Right Hon. Mr. MEIGHEN: What about the other judgments, which have been quite the opposite? It is my information that every other judge has interpreted the law otherwise. If we do not make this provision declaratory, where are we to land? We could never purge the lists in Montreal if the judge were to review all the cases. Impersonation would be the order of the day.

Hon. Mr. DANDURAND: Of course I am in agreement with this declaratory measure, but I feel some diffidence about making it retroactive and wiping out a judgment that has been rendered on the basis of a law capable of the interpretation given. As a matter of fact, Parliament is now feeling the necessity of amending the Act by clarifying it.

Right Hon. Mr. MEIGHEN: That is right.

Hon. Mr. DANDURAND: That being so, is it not natural to conclude that the judge was not wrong in his interpretation of the Act?

Right Hon. Mr. MEIGHEN: I do not want to reflect on the judge, but simply because we clarify the law, it does not follow that there is ground for his decision. I do not know any other way of correcting the decision. If we could correct it before the election by pursuing the matter in the courts, there would be some force to what my honourable friend says; but I am not sure that that could be done. I am inclined to believe there is no further appeal. If that is so, this is the only way. In any event, there is no time for an appeal in order to bring about uniformity. The lists have to be completed and ready for the election.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. GRIESBACH: I move that in line 17, page 1, the word "except" be stricken out and the word "unless" be substituted therefor.

Hon. Mr. DANDURAND: Would the right honourable gentleman explain the amendment?

Right Hon. Mr. MEIGHEN: The amendment does not change the intent in the least. I do not think the word "except" is correctly used. The Bill says:

The Judge shall not rescind such final ruling of the Registrar nor order that the name of such person shall be placed, retained or removed on or from the list of electors for any polling division of such electoral district, except evidence satisfactory to the Judge has been adduced.

You might say "except in a case where evidence has been adduced," but it is simpler to change "except" to "unless." In my humble judgment the word "except" is incorrectly used.

Hon. Mr. DANDURAND: I see.

Right Hon. Mr. MEIGHEN: You could say "except when evidence satisfactory to the judge has been adduced."

Right Hon. Mr. GRAHAM: Yes. You could have another word there.

The proposed amendment of Hon. Mr. Griesbach was agreed to.

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

LIMITATION OF HOURS OF WORK BILL

MESSAGE FROM COMMONS—CONSIDERATION POSTPONED

The Hon. the SPEAKER informed the Senate that he had received a message from the House of Commons reading as follows:

That this House desires to acquaint their honours that in respect to the Senate amendments to Bill No. 21, an Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919, this House agrees with amendments one to eight, inclusive;

And that with respect to Senate amendment No. 9, this House moves as a consequential amendment thereto, that the words "six months" be substituted for the words "three months."

Right Hon. ARTHUR MEIGHEN: Honourable members, it is indeed a matter of gratification that the extensive amendments made by the Senate to the first three measures on which we have just had a report from His Honour the Speaker are wholly concurred in by the Commons. It really makes one feel that the labours of our committee have been worth while. Even with respect to Bill 21, in relation to which one of our amendments is objected to, or is submitted to further amendment by the House of Commons, there is no reason for any great disappointment.

As to the amendment we made, which is an important one, I find it very difficult indeed to accept the reasoning of the House of Commons. Honourable members will recall that in this Bill an exception was provided to enable recognition, for a period, of agreements between the railways on the one hand and the unions and employees on the other. This was to make possible adjustment to the new situation and to facilitate negotiations between the railways and their employees with respect to conditions under the new eight-hour law. In the original Bill the time stipulated was, in reality, a year. The Senate committee took the view that it could be done within a shorter time, and made provision for a three-month period after the coming into force of the Act, which was to occur three months after the Bill was assented to. That is to say, we cut in two the time originally provided for by the Commons.

I am not yet just sure of the effect of the Commons amendment—I am certain the honourable senator from Parkdale is—but it certainly extends the time fixed by us. It is very important that no unnecessary time be given, because it is manifest that all the time allowed will be taken. I was ready to accept the opinion, expressed by those who know a great deal more about the matter than I do, that adjustments could be made and agreements arrived at within the time fixed by us. The Commons seem to be of the view that this is not the case.

In this connection I want to advert to certain very casual, exceedingly uninformed, and, indeed, exceedingly ignorant comments that have been made with regard to Senate amendments. Complaint has been made of the number of amendments, and it has been stated that they are emasculatory in character. I put myself in the hands of this House, and indeed of the country, when I say that of all the amendments we have made, be they to what are called reform measures or others, not one has been emasculatory in any sense of the word. On the contrary, the important amendments have been quite the reverse. The most important of the fifty-one amendments made by this House to the Unemployment Insurance Bill was the one including the banks and financial institutions of Canada. That amendment was of more consequence than any five others, though they also were strengthening amendments.

Our amendment to Bill 21 did not weaken, impair or abbreviate the Bill, but extended it. It made it operative over a whole sweep of employees much earlier than did the provision in the Bill as it came from the Commons. But there are some who are determined to throw stones, and who prefer to be absolutely blindfolded before they essay the act. I venture to say there are critics of that sort who could not for the life of them tell about a single amendment of the hundreds made by the Senate this session. This is an instance in point. It is illustrative of the whole character of the work done.

I am disposed to feel that we ought to make another effort to have our view accepted by the Commons, but I am not prepared with a motion to that effect to-day.

Hon. JAMES MURDOCK: Honourable senators, this Bill came to us from the House of Commons before the close of March. I am advised that some few days prior to that time conferences were held between certain representatives of Labour—Tom Moore tells me that he was one—and certain ministers, in which it was argued by the representatives of railroad organizations that there might be, and would be, serious difficulty in bringing about a rearrangement of schedule provisions, conditions and allowances, in such a way as to permit of the consistent application of this eight-hour day and forty-eight-hour week Bill to the railroad men's classifications of work. Railroad men, both in train and engine service, usually work according to a composite mileage and hourly arrangement under which very frequently one hundred miles is run in much less than eight hours, but a one-hundred-mile run, with freight, is synonymous with eight actual hours of work. In fact, both the operating officers of the railroads and the men themselves, yes, and the shipper and the public at large, desire as prompt a transport of freight as can be secured, and that has always been held out to the railroad men as an incentive to get the trains over the road. The rule has been in effect for years, therefore, that eight hours and one hundred miles shall be synonymous in reckoning a day's pay.

Of course the railroad companies and the railroad organizations do not want to bid the devil good morning, shall I say, until they have to. What do I mean by that? For three or four years now, by mutual agreement, the lower-paid men—the brakesmen, yardmen and firemen—have been giving up a substantial portion of their monthly allowances to the junior men, who are unemployed. For four years now the yardmen have said: "Take us out of service as soon as we have earned twenty-six days' pay." Certain other organizations have said: "No; twenty-six days' pay is not sufficient." As a matter of fact, the schedule provisions on

the railroads usually allow for a minimum monthly guarantee of compensation. For example—I am now speaking only from recollection—it is $200 a month for a passenger conductor. The lower-paid men waived many of the allowances, however, and said: "Put us on a twenty-six-day month basis in yard service and give the rest, which we normally made in years gone by, to our less favoured fellow employees."

Some classes earn substantially higher daily rates than others. For example, the brakesman's daily rate would be about two-thirds of the conductor's daily rate; the fireman's daily rate would be about the same proportion of the engineer's daily rate. There might be a little variation. Therefore the engineer would make daily about one-third more than the fireman, and the conductor one-third more than the brakesman.

When this Bill came to us in the first place a tacit understanding had been arrived at, which was satisfactory to the gentlemen handling the Bill in another place. So they evidently said: "All right, we will give the railroad companies and these organizations a year to reach an agreement whereby the schedules in effect can be applied properly, without any loss or without materially violating the principles of those schedules." And all concerned seemed to be satisfied. Some might say, so should we be. Perhaps. But here is the question. By virtue of section 15 the Bill does not come into effect until three months after it receives Royal Assent. Then here in the Senate we shortened the time that had been provided with respect to railroad men, and we said that three months later than that it should come into effect for them. But the other House has changed that to six months.

Right Hon. Mr. MEIGHEN: That is nine months altogether.

Hon. Mr. MURDOCK: That means nine months from the date that the Bill receives Royal Assent. A distinguished citizen, who I am sure believed exactly what he said, used this language in another place:

> It has been felt that this is a matter in which, as there is acute difference of opinion, it is desirable to arrive at some arrangement that will clarify the situation without doing injustice, either remotely or nearly, to any interest that might be affected.

As I say, I am quite sure the right honourable gentleman who made that statement believed it was correct. But it is not so. If all concerned were told to put this Bill into effect it could be put into effect next Monday morning on the railways of Canada. And if it were put into effect several hundred railroad men would be given work—men who would like a meal ticket, who would like a monthly wage. This talk about not being able to put it into effect is simply not correct. Of course there will have to be some rearrangements, some changed understandings. I think I personally have been involved in making nearly every trainmen's wage schedule on either of the railways of Canada for the past thirty-five years. I know something about the matter from the standpoint of the trainmen. To argue that the Bill could not be put into effect at once is simply an attempt to "kid the troops," as they tell me the soldiers used to say.

There should have been no exception at all made for railroad men. I say that with all due consideration of the fact that railroad men have interchangeable bases of pay—mileage and hours. The Bill, as I say, could be put into effect at once, and it is just a question of whether we are going to hold out a little hope to hundreds of men who have been out of work for maybe two, three or four years, that after New Year's Day they will be able to get a job because about that time the provisions of this Bill will come into effect, with the result that some men will not by making 35, 40, or 45 days' pay a month while others are walking around.

I am not going to say much more on the question. I do not know whether it is possible to change understandings that evidently are deeply imbedded in the minds of some distinguished citizens in another place. But I do say this, that if there is any sincerity—and I know there is—about desiring to do no "injustice, either remotely or nearly, to any interest that might be affected," this amendment that comes to us from the House of Commons ought to be amended for the benefit of hundreds of unemployed railroad men who for the past few months have been looking with a little hope towards what this Bill might do for them.

The Hon. the SPEAKER: When shall the amendment made by the House of Commons be taken into consideration?

Right Hon. Mr. MEIGHEN: To-morrow.

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

THE SENATE

Wednesday, June 26, 1935.

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

Prayers and routine proceedings.

RADIO BROADCASTING BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM moved concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 99, an Act respecting Radio Broadcasting.

Hon. Mr. DANDURAND: Would the right honourable gentleman explain how it came about that we changed the Bill?

Right Hon. Mr. MEIGHEN: The Radio Act passed in 1932 provided for the creation of a commission, and its indefinite operation in the supervision of radio in Canada. The powers of the commission were definitely outlined, and limitations imposed, but there was no provision limiting the period of experimentation or the life of the commission. In the early part of this year an amendment went through, apparently designed—

Hon. Mr. DANDURAND: Was it not 1932?

Right Hon. Mr. MEIGHEN: It may have been last year.

Hon. Mr. DANDURAND: Was it not 1932?

Right Hon. Mr. MEIGHEN: Perhaps it was 1932. The amendment was designed to limit the life of the commission—or, according to my impression, to extend the life of the commission. I ask the indulgence of the House, because I have not checked the exact history. We know that in the old Act there was no limitation at all. The amending Bill contained provision for expiration at a certain time, the intention being that this provision should apply to the original Act. But somehow or other it was made to apply to the amending Act. The error of the Commons was not noticed in the Senate—as far as I know, it has not yet been noted in the Commons—and the Bill went through. Consequently the amending Act was limited, which made no sense at all. The intention of this Bill clearly is to limit the powers of the present commission to the 31st of March next year, in order that a new Parliament may be free to deal with the commission and with radio policy in general. But, owing to the history of the legislation, the Bill would not have had that effect at all. We now have simplified the measure by stating that the Act of 1932 is to expire on the 31st of March next year.

Hon. Mr. DANDURAND: The Act of 1932?

Right Hon. Mr. MEIGHEN: The Act of 1932; the original Act.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

COMPANIES BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 85, an Act to amend the Companies Act, 1934.

He said: Honourable members, it will be remembered that a year ago a Bill making quite extensive revisions to the Companies Act was brought before the Senate. My recollection is that it was introduced in this House and received its primary consideration here. The view I held at the time was that the important amendments then effected put the measure into very desirable form. The Commission on Price Spreads and Mass Buying has made recommendations, the implementing of which demands further reformations in the Companies Act. It is to be presumed that these reformations are a selection from the report of the Commission, based on merit. In any event, they are embodied in this measure, the features of which I will now outline.

The purpose of the second clause—the first being merely the title of the Bill—is to provide that nothing shall be included in an application for letters patent other than those powers which the company really requires for the bona fide exercise of the business it intends to engage in. The clause also definitely restricts, apparently more rigidly than heretofore, the operations of companies within their charter powers.

Hon. Mr. HUGHES: It does not affect companies operating under provincial charter?

Right Hon. Mr. MEIGHEN: Our Companies Act cannot affect any companies other than those under Dominion charter.

The third clause amplifies a phrase used in the statement of the objects of the company, so that it will read:

The purpose for which incorporation is sought which shall be limited to the purposes and objects which it is intended that the company shall actively pursue.

Clause 4 relates to the allotment of proceeds of sale of stock. Hitherto such proceeds could have been allotted either to capital or to distributable surplus, the part set aside as distributable surplus being confined to 25 per cent. If this clause passes, there can be no allotment to distributable surplus except what is provided for in the terms of the contract of subscription, and it shall not exceed 25 per cent.

The fifth clause is new as to an important feature. It is intended to bring about such a state of affairs that the directors will be compelled to see to the adequacy of all consideration given for stock of the company. The responsibilities of directors under this clause, as under many subsequent clauses of the Bill, are made more onerous, more difficult, and, I think I might say, more dangerous.

The second subsection of section 5 forbids the issue of what heretofore have been known as management shares. The spirit of the measure in this regard is that all shares shall have equal voting rights. Of course, everyone closely associated with companies knows that it would be an anachronism to provide that all shares must for ever have equal voting rights. It would make impossible the taking over of many concerns, and in the event of failure of earnings would do gross injustice to preferred shareholders. Saving clauses, however, are contained in a later part of the Bill, and I shall refer to them when the proper time arrives.

Clause 6 puts in rather different and in more restricted form the latitude of a company in respect of division or consolidation of shares. Unrestricted classification of shares is forbidden.

Clause 7 does away with deferred shares. The House will distinguish at once between deferred shares—very common in England and very uncommon here—and preferred shares. They are distinctly different. This clause makes provision also for such conversions as hereafter will be permitted of preferred into common and of common into preferred; of course, with the consent of the holders as set out. It provides as well that preferred shares may be made redeemable. This has always been the case if requested in the charter, unless certain objections existed. The extent to which this may be done is set out in subsection 2.

Section 8 specifies the conditions under which preferred shares may be redeemed or converted.

Now I come to the more important features, those relating to prospectus and sale of stock. Briefly, the intent is to provide against what the Commission found was an evil—sale by underwriters. Having first purchased from the company itself by an underwriting contract the initial or treasury issue of stock, they proceed as owners to sell to the public, and the public do not get the protection afforded by the Companies Act, of whatever information may be contained in the prospectus as to the company's position, history, earnings, liabilities, and so forth. This Bill seeks to protect purchasers of stock from underwriters in the same way as purchasers from the original company heretofore have been protected.

Every lawyer in the House—and most honourable members are now at least pretty close to the high standing of the legal profession, because we have all the time to deal with intricate legal matters—will be wondering whether we are not getting into the question of civil rights when we seek to stand between a bond house which owns the stock or other security issue of a company and that bond house's purchasers. The Bill provides that before the company, which is under our jurisdiction, as it is our creation, sells its issue to underwriters as defined in the Bill, it must take from those underwriters a contract that they shall deliver a copy of the prospectus to every person they approach for the purpose of selling stock. They must comply with relevant provisions of this new Bill. Under these circumstances the underwriters are made the agents of the company with respect to the sale of stock. I am not arguing on either the constitutionality or the merits of the proposed legislation; I am merely seeking to make it understood.

Right Hon. Mr. GRAHAM: The underwriter then would not become the owner.

Right Hon. Mr. MEIGHEN: He does as a matter of fact become the owner.

Hon. Mr. DANDURAND: Under conditions.

Right Hon. Mr. MEIGHEN: He becomes the owner, but he has contracted with the company to guard persons who purchase securities from him, by delivering to them a prospectus and doing the other things which the Bill requires. Parenthetically, I may add that I cannot see anything there which is likely to be attacked. But when we come to declare that the underwriter is an agent—

Right Hon. Mr. GRAHAM: That is what I had in mind.

Right Hon. Mr. MEIGHEN: —when in fact he is not, I am not sure that we are on very solid ground. However, without doubt, there is a very laudable purpose to this phase of the Bill—

Some Hon. SENATORS: Hear, hear.

Right Hon. Mr. MEIGHEN: —and, I think, a very important purpose. I earnestly trust it is secured by impregnable clauses and verbiage.

I may say that one's task in absorbing a measure of this kind for purposes of presentation to the House is much increased by the fact that the rule of the Senate requiring explanations on the adjoining page appears now to be totally evaded. No explanations are given, though we always find the opposite page pretty well covered. The existing law is set out, and the reader is left to worry through the Bill to find out what changes are proposed. There is a modest abstention from making any explanation.

Section 12.—This again strengthens the law on the subject of payment of dividends where capital is impaired. Always it has been forbidden; indeed, until lately at least, the penalty was so extreme as to be irrational. However innocent the directors might have been for years, they became immediately liable for all the debts of the company; not just for the amount voted for dividends. My impression is that that fault was cured in the last revision. But this Bill provides that the directors cannot be paid if in any way they impair the capital of the company. In determining whether there is impairment or insolvency no account can be taken of any writing-up of the company's assets which has been done within a space of five years before the date of the dividend declaration. It is to be impressed on honourable senators that this is irrespective of whether such write-up of capital was justified or not. If made within five years, no account can be taken of that added asset in deciding the question whether a company was solvent or its capital impaired at the time of the dividend declaration.

Section 13 makes the elected directors of a company liable for all the acts of the provisional directors. I can see a good purpose there, but I am inclined to think we are going to end with dummy directors. It is entirely wrong to allow provisional directors—who are usually stenographers in the law firm instructed to get out the charter—to do acts which they should not do and then have the new directors come in and carry on quite legitimately. This Bill seeks at all events to obviate the evil, to make the new directors liable for the conduct of the old. Of course, it can be said they do not have to take the position. But one has to consider the alternative.

Hon. Mr. HUGHES: Does that apply right along during the life of the company?

Right Hon. Mr. MEIGHEN: The directors elected at the first general meting are the only ones liable. But, as far as I can see, their liability continues throughout the life of the company—throughout eternity. There is no limit there that I can see.

Hon. Mr. BALLANTYNE: Any stockholder can sue them.

Right Hon. Mr. MEIGHEN: Any stockholder can sue them.

Clause 14 makes it the duty of the officers of the company to inform the directors immediately of any important impairment of capital, or of any belief on their part of the insolvency of the company. The directors are thereupon required to call a special general meeting without delay.

Clause 15 is also distinctly new, and is highly vital. Its purpose is to protect the purchasing and selling public against speculation in the stock of a company by its directors. This is a result, I presume, of certain investigations in the United States Senate. If reports reaching us were correct, great wrongs were done in the United States by directors who, knowing all the perils surrounding a company, and being aware of its ghastly losses, unloaded their stock on the innocent public, and later on, when there was a chance of revival, bought it back, thus taking advantage of their peculiarly favourable position as against the public. This provision is intended to cure that evil. Admittedly the purpose is a splendid one if it can be accomplished. I am inclined to think the legislation is fairly skilfully designed to that end. It provides that every director who deals in the stock of his company must at stated periods file in the records, so as to make available to the shareholders at any time, a statement of exactly what he has done. Furthermore, while not forbidden to buy or sell, directors are forbidden to speculate in the stock of their own company. Speculation is carefully defined as buying and selling for the sake of profit within a comparatively narrow space of time.

Honourable members will recognize at once that it would be entirely wrong or injurious to forbid a director or manager of a company to sell or purchase its stock. Much could be said in favour of such a prohibition. It could

be said that these men know the position of the company better than do others. That is true; but if persons interested in the management of a company are forbidden to own its stock by purchase, which is the only way they can become owners, the first condition of good management is removed. Directors often consider it advisable to protect their own shareholders by buying stock before it reaches an unjustifiably low level. On the other hand, when in their judgment the stock is above its natural level, they often sell so that people may not be deceived by market quotations. It is indeed hard to steer the ship of legislation between these two rocks. This phase of the Bill is an attempt to do so. I am not certain that an attempt to attain a similar end has been made in any other legislation.

Further provisions have to do with the adequacy of consideration paid for shares, and the liability of directors if that consideration is not sufficient. Limitations of that liability are set out in the later sections of clause 15.

I now come again to the subject of voting rights. All shareholders are given equal voting rights, subject to the provisions of any by-law of the company duly enacted under the provisions of this Act. Obviously the modification is necessary.

Clause 17 refers to the contents of the balance sheet. For a long time we have been adding to the details of information that must be included in a balance sheet. We are now adding to them again. Bills receivable must be divided into current and non-current accounts. Inventories must be shown in their various subdivisions. In giving the value of lands, buildings and plant there must be a specific statement as to how much of the valuation is attributable to the writing-up of assets. The other provisions of the amended section are not changed in any important respect.

A very important new provision is inserted in clause 18. All sums paid to directors by the company must be shown in the annual statement. Salaries of executive officers and salaried directors, and legal fees paid by the company, must also be shown. The question whether this compulsion should apply to private companies will come before the committee which will deal with this measure.

It is provided, and more extensively than ever before, that the balance sheet and statements of income and expenditure, surplus, and so on, must be sent in a prepaid wrapper or letter to all shareholders, once a year, before the date of the annual meeting. A copy of each of these documents is also to be mailed to the Secretary of State. Any holder of debentures is entitled, on demand, to be furnished with a copy of the balance sheet, without charge. I think this provision should increase the postal revenues considerably.

The rest of the Bill does not need any amplification. It simply refers to the application of the various sections.

Hon. RAOUL DANDURAND: I am grateful to the right honourable gentleman for outlining, rapidly it is true, the principal parts of the Bill before us. I shall not follow him clause by clause. I recognize that the subject dealt with is one which may quite reasonably come before us from time to time. The activities of the public in companies are so multifarious that new conditions frequently arise which call for new legislation.

I shall simply refer to three or four clauses which my right honourable friend has mentioned. I commence with clause 5, which deals with shares of no par value. There has been considerable division of opinion as to the merits of the no-par-value principle embodied in our legislation. In fact, I believe the report of the Price Spreads Commission declares against no-par-value shares. Yet that principle is maintained here. I know that when it was introduced into our Companies Act it met with considerable approval. It seemed to protect the public against the offering of shares which, although having a face value of $100, were in reality worth much less. It put the public on its guard, and forced the purchaser to examine into the company's statement to ascertain whether there was any real value behind the shares. Apparently some abuses have been noticed. I am not prepared to say which side of the argument is the more meritorious, and I am not yet disposed to vote against the maintenance of no-par-value shares. I believe the public should find a safeguard in the fact that no face value is stated in the share certificate. I realize, of course, that the directors will have considerable difficulty in fixing a price for no-par-value shares.

Clause 5 of the Bill says:

> Shares in the capital stock of the company having a nominal or par value shall not be issued as fully paid except for a consideration payable in cash to the total nominal amount of the shares so issued, or for a consideration payable in property or services which the directors may determine by express resolution to be in all the circumstances of the transaction just and adequate consideration therefor.

This, of course, leaves considerable to the discretion of the management or the directors,

and if adverse circumstances develop it will be very difficult for them to assert that their judgment was sound.

Right Hon. Mr. MEIGHEN: Hindsight will be better than foresight, and it will be much easier.

Hon. Mr. DANDURAND: It will.

Now I refer to clause 13, which sets out the responsibility of elected directors. It says:

> The directors of the company elected by the shareholders at the first general meeting of the company shall be responsible for all business transacted as a board of directors by the first directors of the company.

My right honourable friend has had some difficulty in reconciling himself to the fact that the responsibility falls on the shoulders of the new and permanent directors, and that they become responsible for the actions of the provisional board. I wonder whether this legislation will not have the effect of wiping out provisional boards and bringing into the limelight the men behind the incorporation. I know that in England people who are mentioned in a statute as the incorporators or directors of a company feel that they have a very important right given to them, of having their names set out on what is called a royal charter. I wonder whether this amendment will not have the effect of doing away with the practice by members of the Bar of designating office clerks and stenographers as incorporators of companies. If it does have that effect, perhaps it will be to the advantage of the public.

My right honourable friend has spoken of the action of directors who deal in the stock of their own companies, and the restrictions and conditions surrounding such dealings, under clause 15. I have not read the whole Bill carefully, so I do not know the effect of the limitations imposed. Throughout my life I have had the feeling that it was a dishonest thing for a director to buy stock in his own company prior to a declaration of an increased dividend, if he knew, as he naturally should, that the dividend was to be increased and his brother shareholder who sold the stock had not the same knowledge. Nor would I take it to be an honest act for a director to sell stock in his own company when he knew that a dividend would be passed and the public had no such information. I do not know to what extent any such practices prevail in our business world, but rumour has reached me of actions of this kind by directors of companies. I have no hesitation in expressing my opinion as to that type of ethics.

There are other clauses to which I thought I should address myself, but I should have to look through the Bill to find them. I shall content myself with awaiting the examination of the measure clause by clause in committee.

Right Hon. Mr. MEIGHEN: Before the motion is carried, it might be worth while to place this consideration on the record. The honourable gentleman criticizes quite frankly the purchase of shares by a director who is aware of the probability of an increased dividend. From a certain standpoint that is subject to criticism; but it has to be remembered that a share cannot be purchased unless it is offered on the market, and when it is offered the owner is going to sell it if he can. If no bid were made by a director, the owner might sell for less than a director would have paid. Personally I think a purchase is somewhat different from a sale. The first step in either case is the offering of the stock. When some shareholder offers his stock he takes what he can get for it, or what he thinks is its value. It would be altogether different if a director went to an owner and tried to induce him to sell his stock at a price below what the director knew it to be worth. That would be absolutely dishonest. But when stock is offered on the market for sale at a price, a man has no way to find out who is making the offer. So I do not see how a director could feel he is doing wrong when he buys stock on the market, merely because he knows from inside information that the stock will be worth more. He would not be helping the shareholder in the slightest by keeping out of the market.

Hon. Mr. DANDURAND: I will put a question to my right honourable friend, and I have no doubt as to what his answer will be. Suppose he owned 500 shares in a company. In the list of shareholders which is distributed annually his name would appear as the owner of that stock. Would he like to see in the list for the following year the disclosure that he had increased his holdings, if in the meantime he had voted for an increased dividend? Would he feel like appearing before his fellow shareholders in such circumstances?

Right Hon. Mr. MEIGHEN: Well, a director in such circumstances may be subjected to criticism, but my point is that it would be very unjust criticism. Many a time a man in charge of a company sees stock of the company offered for sale. If things are going well he knows that the stock is worth more than the price at which it is offered, and he would be only too glad to

inform the shareholder that he is making a mistake in selling at that price. But he has no means of finding out who is putting the stock on the market. So how would he be helping the shareholder by saying, "I will not buy it"? The shareholder would make a still greater sacrifice of it.

These questions are not quite so simple as they appear to high-grade moralists who make money by parading their demagogism in the press. I am not referring to my honourable friend, of course.

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

DOMINION TRADE AND INDUSTRY COMMISSION BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 86, an Act to establish a Dominion Trade and Industry Commission.

He said: Honourable senators, I could give a detailed account of this Bill, but I think it will suffice if I deal merely with its main purposes. The preamble is a recital with respect to the Price Spreads Commission and its report. Clause 2 makes certain definitions, such as are essential to the construction of any new legislation. Then under clause 3 the Tariff Board is created a Dominion Trade and Industry Commission, the Board being given additional functions, all of which are set out here. Clauses 4 to 8 contain provisions with respect to sittings of the Commission, the location of its offices, the constitution of a quorum, the rules of procedure, and the like. Clause 9 states that officials of the Tariff Board are to be officials of the Commission, and provision is made that they shall not because of that be entitled to higher salary. Then there is reservation of rights to superannuation. By clause 11 it is stipulated that secrecy must be observed by the Commission with regard to any written statement or document furnished under the Act, so that injustice may not be done to persons who have not been shown to be acting improperly. Then it is provided that the Commission shall administer the Combines Investigation Act.

Clause 14 is a very important one. Under modern conditions of industry the individual is supplanted by the larger unit. He is necessarily so supplanted, no matter how strongly we might wish he were not, for, because of the economies it produces, the larger unit is required if we are to have any chance at all of competing in external trade. This clause recognizes the fact, which is now known to every intelligent person, that under such conditions a measure of agreement and understanding must be considered as proper, for without such agreement and understanding there would be a continuous process of destruction of competitors, until in each field there remained possibly only one survivor who, though perhaps emaciated, would if left alone grow to great proportions. Of course the Bill recognizes frankly that no understanding or agreement shall militate against the public interest. Understandings and agreements shall be placed before the Commission. Then, after investigation, they may, on the recommendation of the Commission, be acknowledged by the Governor in Council as proper, useful and necessary. I believe this is all in pursuance of the Price Spreads Commission's report.

The Trade and Industry Commission is charged with responsibility for the prosecution of offences against Acts of Parliament affecting commodity standards, and may order that criminal proceedings be undertaken for the punishment of any such offence.

Under clause 16 the National Research Council is made the handmaiden of the Commission, in that on request the Council shall—

(a) study, investigate, report and advise upon all matters relating to commodity standards;

(b) prepare draft specifications of commodity standards for any commodity or commodities or grades, and recommend methods of designating such grades;

(c) analyze and report upon any commodity as to its quality, properties and content, and as to whether and to what extent it conforms to the requirements of any recognized or generally accepted standard.

This is amplified by clause 17, which provides for reports by the Council in respect of any commodity forwarded to it by the Commission or the Director of Public Prosecutions.

By clause 18 a new national trade-mark is to be adopted, to be known as "Canada Standard" or the initials "C.S." The conditions under which producers, manufacturers, dealers or merchants may use this national trade-mark are set out in clause 19.

Unfair trade practices are dealt with in clause 20. Upon receipt of complaint respecting unfair trade practices the Commission may investigate, and, if it considers there has been an offence, communicate the facts to the Attorney-General of Canada and to the Director of Prosecutions or to the Attorney-General of the province within which the alleged offence took place.

Clause 21 provides for the appointment of a Director of Public Prosecutions. He

shall be a barrister or advocate, and shall hold office during good behaviour for a period of ten years. His duties are fully defined in clause 22.

Fair trade conferences are provided for by clause 23. Clause 24 states that the Commission may co-operate with boards of trade or chambers of commerce. Later in the Bill new security issues are brought under the supervision of the Commission.

Right Hon. Mr. GRAHAM: New securities issued by whom?

Right Hon. Mr. MEIGHEN: I had better read the clause. It is No. 26.

The Commission shall in any case, if requested by the Secretary of State, investigate and review the capital structure of any company incorporated by or under any Act of the Parliament of Canada, proposing to issue new shares, debentures or other securities to the public.

All that remains are certain general sections making the Inquiries Act applicable and providing for publication of reports and for hearings.

I close with the observation that on the right-hand pages of the Bill, where according to our rules the explanatory notes should appear, there are consistent and uniform blanks throughout.

Right Hon. Mr. GRAHAM: I noticed that.

Hon. C. C. BALLANTYNE: Honourable senators, it is very seldom that I take up the time of this House with speechmaking. I have spent all my life, which has been a somewhat long one, in business, and I am very seriously perturbed by this proposed legislation. I intend this afternoon to address myself as briefly as possible to the task of discussing the principle of the measure.

First of all I wish to pay my tribute to the members of the Price Spreads Commission for the painstaking way in which they performed their arduous duties over many long and weary months. I appreciate that they uncovered certain unfair practices. However, I must say that I find myself at variance with a great many of the Commission's findings and recommendations, some of which have been implemented by bills brought before Parliament.

I ask leave of the Senate to refer not only to this measure but also to Bill 73, entitled an Act to amend the Criminal Code, which we had before us last night, because the two measures are closely related. I object to clause 8 of Bill 73, which provides:

The said Act is further amended by inserting after section four hundred and ninety-eight, the following section:—

498A. (1) Every person engaged in trade or commerce or industry is guilty of an indictable offence and liable to a penalty not exceeding one thousand dollars or to one month's imprisonment, or, if a corporation, to a penalty not exceeding five thousand dollars, who

(a) is a party or privy to, or assists in, any transaction of sale which discriminates, to his knowledge, against competitors of the purchaser in that any discount, rebate or allowance is granted to the purchaser over and above any discount, rebate or allowance available at the time of such transaction to the aforesaid competitors in respect of a sale of goods of like quality and quantity;

The provisions of this paragraph shall not, however, prevent a co-operative society returning to producers or consumers, or a co-operative wholesale society returning to its constituent retail members, the whole or any part of the net surplus made in its trading operations in proportion to purchases made from or sales to the society;

(b) engages in a policy of selling goods in any area of Canada at prices lower than those exacted by such seller elsewhere in Canada, for the purpose of destroying competition or eliminating a competitor in such part of Canada;

(c) engages in a policy of selling goods at prices unreasonably low for the purpose of destroying competition or eliminating a competitor.

I take exception to that provision on four grounds. First, it is very detrimental to the consuming public. Their lot is hard enough now, with unemployment and low wages, without Parliament increasing the cost of living, for undoubtedly if this proposed legislation is enacted without amendment it will have that effect. Indeed, it will increase the cost of everything that the householder has to buy. Second, it will restrict domestic trade. Third, it will increase our imports. Fourth, it will reduce opportunity for employment.

Honourable members may wonder why I make these statements. Well, we will say I am a manufacturer in Montreal. My sales manager in Halifax advises me that he can get a very large order, several carloads in volume, but at the price which I have given him he is unable to secure the business in competition with a similar article imported from England under the Imperial preference at a very much lower cost. Under this measure I cannot authorize my sales manager to quote a lower price. In effect, it compels me to sell goods of the same quality at the same price all over Canada. In other words, I must sell in Halifax at the same price as in Montreal. Consequently I lose the business. This, to my mind, is restriction of domestic trade, since the goods are imported,

and to that extent there is less opportunity to employ Canadian labour. If I had been allowed to sell at a lower price, would not the consumer have benefited? It is a most preposterous proposition that throughout this great country, 3,000 miles in extent, any manufacturer should be expected to sell his product at the same price, irrespective of difference in freight charges and other factors; yet this Bill seems to say that he must. A manufacturer located in Montreal could not possibly sell a carload of goods to a purchaser in Vancouver at the same price as he could afford to sell locally. In short, if this measure goes into effect in its present form the cost of goods is bound to go up, to the detriment of the ultimate consumer.

On the other hand, imports are certain to increase. The competition of the British exporter will be very keen, and if our manufacturers are held to a uniform price throughout the Dominion they will find it impossible to meet the low price of imported commodities.

There is another reason why this uniform price requirement is unsound. Take two buyers, one who purchases in very small and the other in very large quantities. It has always been customary in business to quote a lower price to the large buyer than to the small. But the Price Spreads Commission seems to have been most concerned about the small buyer, and its concern on his behalf finds expression in this forbidding of special discounts. Certain manufacturers have appointed persons or firms in various centres to sell exclusively the manufacturer's line at a special discount, the consumer to get the benefit. A competitor on the same street might object to this, and thereupon, under this measure, criminal proceedings might be instituted against the offending manufacturer.

I would also direct the attention of honourable members to section 14 of the cognate Bill 86, which I contend will also increase the cost of living to the detriment of the masses. This section provides:

> In any case where the Commission, after full investigation under the Combines Investigation Act, is unanimously of opinion that wasteful or demoralizing competition exists in any specific industry, and that agreements between the persons engaged in the industry to modify such competition by controlling and regulating prices—

and so on. I know several large manufacturers who at the present time are engaged in a price war. The article they manufacture is to be found on the table of every household throughout the country. Is not that price-competition a benefit to the consuming public? If large, financially strong organizations are able to stand the strain of a price war, the masses are going to get the resultant advantage in cheaper goods. But here again the Price Spreads Commission, through this measure, says no, prices shall not be lowered.

To recapitulate, I am opposed to the recommendations of the Price Spreads Commission as expressed in this proposed legislation, because it will inevitably increase the cost of living; it will increase the cost of many commodities; it will restrict the trade of the Canadian manufacturer in his home market to the extent that it will increase our imports, all to the detriment of workers, who constitute the bulk of "the public." Presumably the Price Spreads Commission was appointed for the special purpose of saving us all from so-called predatory business, but I do not think the majority of its recommendations will effect its purpose.

I pass now to the subject of large amalgamations or mergers. Let me say at once that I entirely dissociate myself from what I may term improper mergers. Some mergers have been formed for exploitation, and are undoubtedly detrimental to the best interests of the country.

Right Hon. Mr. MEIGHEN: For the sale of stock.

Hon. Mr. BALLANTYNE: Not only for the sale of stock, but for other purposes as well. Therefore I find myself in hearty agreement with anything that can be done—and considerable has already been and can yet be done—to prevent a recurrence of such abuses. I believe the Companies Act of 1934 and the amending legislation which has been before us this afternoon will do much to prevent the formation of improper mergers. But the majority of mergers are not over-capitalized, they were honestly formed, they are being honestly managed, and they are of benefit to their employees and to the public generally.

I have been a long time in business. When as a youth I started my business career there were only privately-owned companies. We worked for long hours at very low wages. As the years rolled by, Canadian manufacturers found it impossible to compete with their rivals in the United States, a highly developed and specialized country industrially; they also found it very difficult to compete successfully with the manufacturers of Great Britain and Germany. It became imperative that they secure more capital in order to equip their factories with up-to-date machinery. It was thus that many mergers, as necessary as they

were honest, came into existence. They made possible mass production, which can be a good thing, and generally the public benefits by it. I cannot understand why those who are managing our large industrial concerns should, as a class, be criticized so unfairly as they have been by some persons.

As an instance of what is possible by mass production I may cite the automobile business. Does anyone imagine that if we had a lot of small, "dinky" automobile manufactories stretched across the country we should get the finely designed and cheap automobile that is available to-day?

I turn for a moment to mass buying. As I have said, this practice has been severely criticized. Some persons hold up their hands in horror and say it is deplorable. I ask, after all, what is wrong with mass buying itself? Just as mass production is a good thing for the consuming public, so is mass buying. I agree with the report of the Price Spreads Commission as to certain evils which have crept into mass buying, as where a department store goes to a manufacturer with a large order and offers it to him at such a low price that he can accept it only by cutting wages. That evil has been overcome by the legislation enacted this session to provide for an eight-hour day and a minimum wage. Shorn of its evils, such as they are, I strongly approve of mass buying.

At the present time the pressure of public opinion is brought to bear on all governments to regulate business. In some instances regulation is necessary, but I sincerely trust that this Government and this Parliament will abstain as far as possible from interference with business men. They are trained men and know how to run their own affairs much better than any Government can ever hope to do it for them.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BALLANTYNE: The more governments meddle in business and interfere with its conduct, as in some respects is being attempted under the Combines Investigation Bill, the Dominion Trade and Industry Commission Bill, and the proposed amendments to the Criminal Code, the worse it will be for business and for our country. We should take warning from what has happened across the line. I am not criticizing the Government of the United States; it would be most improper for me to do so. I am simply going to state what prominent American business men have told me. They say nothing has more retarded business and held back the recovery of industry in their country than the Blue Eagle legislation—the N.R.A. and all the codes that go with it. I asked one of the largest manufacturers in the United States, with several branch plants in foreign countries, what effect shorter hours of work, codes, and similar regulations have had on his business. He replied, "Well, Mr. Ballantyne, that legislation has given our employees more leisure, but no more buying power, and it has increased production costs of everything that we manufacture." As we are fully aware of the disastrous results of the Blue Eagle policy across the line, we should be all the more careful not to adopt any measures that will hamper our economic recovery. We should leave our people, whatever walk of life they may be in, free and unfettered to look after their own affairs and work out their own destiny, so long as they do not act unreasonably and to the detriment of the public.

The average politician in the federal, the municipal or the provincial arena takes full advantage of unemployment incident to the depression for the purpose of attacking business men and men of wealth. People, politicians as well as others, who know nothing about business, who have never made a success out of anything they have undertaken, do not hesitate to condemn those who are doing their best to enlarge the field of employment. I know many of our important business men and several who are prominent in industry in other countries. No finer class of men ever drew the breath of life. Why condemn that class because a very few have indulged in unfair practices? It would be just as unreasonable to condemn the medical profession because an odd doctor here and there had been guilty of unethical practices. If you take the trouble to look into the careers of the managing directors of our large concerns what will you find? That when young they started at the bottom of the ladder at a low salary, and after long years of toil and study they gained promotion and ultimately became leaders in their field. I deprecate unfair attacks on our business men. I deprecate legislation which tends to make criminals out of honest men. I should like to see especially our public men preaching and practising fair play, instead of trying, as too many of them do, to set class against class.

I would ask permission of the Senate to place on Hansard a statement showing what one of those alleged "soulless corporations" is doing for its 3,000 employees. It is typical of what many others are doing.

Memorandum Outlining Industrial Relations Plans

Employee Representation Plan:—The purpose of this plan is to create and maintain a feeling of trust and confidence between employees and the company. It functions through the medium of works councils, which consist of representatives elected by the employees and an equal number of representatives appointed by the management, thus enabling employees to recommend to the management any policies which they believe will bring about better and closer relations or improve the efficiency and general welfare of the employees of the company.

Accident prevention work is carried on as a corollary of the above plan, the maintenance of up-to-date safety design in building and equipment being supplemented by first aid instruction, safety educational campaigns and a no-accident record plan which provides awards to employees of a works enjoying specified periods of time without accidents.

Co-Operative Savings Plan:—The object of this plan is to encourage thrift among payroll and the lower salaried employees of the company. An eligible employee may authorize monthly deductions from his wages or salary up to a maximum of $20 per month for deposit with a trust company, and at the end of the twelve-monthly deposit period the company contributes 25 cents for every dollar saved, at which time the employee receives both his savings plus interest at the rate of four per cent per annum, and the company's contribution.

Co-Operative Sickness and Non-Occupational Accident Insurance Plan:—This plan enables all employees who have had at least three months' continuous service with the company to insure against sicknesses or accidents for which no compensation is granted under any Workmen's Compensation Act. It is a contributory plan whereby the company bears approximately one-half the cost of the premiums, the weekly benefits payable varying from $5 to $25 per week for a maximum of thirteen weeks for each disability.

Vacation Plan:—The purpose of this plan is to give annual vacations of one week with vacation allowance to all payroll employees upon completion of at least one year of continuous service. The entire cost of such vacations is borne by the company.

Employees' Benefit Plan:—The beneficiary of any employee who has had at least six months' continuous service and who dies while in the service of the company (including pensioners of the company), receives an amount varying from $1,000 to $1,500, depending on the length of service of the deceased. The company bears the entire cost of this plan, and benefits are paid from a fund set up for this purpose.

Pension Plan:—The object of this plan is to permit the retirement on pension of any employee who has had at least fifteen years' continuous service and who is either physically or mentally incapable of performing the normal duties incident to continued employment with the company, whether these deficiencies be due to advancing age or otherwise. The amount of the pension varies according to the length of service and the amount of wages or salary the employee has received from the company. The company bears the entire cost of this plan and pensions are paid from a fund set up for this purpose.

In the light of present demands for the greater protection and security of the industrial worker, it is worthy of note that a number of the above and similar plans were introduced over fifteen years ago and have been in continuous operation since that time.

I am very glad indeed to have had this opportunity of saying a word in commendation of the business men of Canada. It is a long time since I have heard from a public platform or in our legislative assemblies any words in favour of that large number of Canadians who for the last fifty years have played a noble part in the development of this Dominion. Great credit is due them, and if they have made a little money by their skill and ability, no criticism should be levelled at them on that account alone.

When the Bills to which I have referred are being thrashed out before the Banking and Commerce Committee, I shall trust to the sanity and the ability of honourable members to see that the measures are properly amended —amended with no ulterior motives because political passions may be drifting this way or that, but so as to carry out what in their judgment they believe to be best for the Canadian people as a whole.

Hon. RALPH B. HORNER: Honourable senators, I had not intended to discuss the proposed legislation, but after listening to the honourable senator who has just taken his seat (Hon. Mr. Ballantyne) I feel I should voice my disagreement with his remarks. I may mention one industry in which mass buying and mass production have worked injury to the community. A large flour milling company in Western Canada, in order to prevent a small mill from operating, offered to a community fifty miles from its plant flour at $1 below the local price. Only last summer, when the company was selling flour retail at $2.25 a hundred, it shipped a carload three hundred miles, paid the freight, and sold the flour at $1.35 a hundred in a further effort to put the small mill out of business. What does that mean to the community? It means the farmers pay twice the price for their bran and shorts that they receive for their grain.

Business has been referred to as a game. In all our games, notwithstanding the fact that the players are usually fine fellows, there is a referee to control the players and see that they observe the rules. Unquestionably there are many fine fellows taking part in business, in which, heretofore, there has been no referee. The Government is now going

to be the referee in control of business, to see that the game is played according to the rules.

I remember another instance, in which an insurance company sold stock to the farmers. The men who sold the stock—it may have been that they lacked knowledge—represented it as having a par value of $100 and a premium of $35. The stock was sold on a down payment of $45, and the impression was left on the purchasers that when that was paid they owed only $55. That was twelve years ago, and the many farmers who invested at that time have received no dividends.

These are merely matters which have come under my personal observation, and in regard to which legislation of the kind proposed would have been of great value.

Hon. JAMES MURDOCK: Honourable senators, if this Bill had emanated from another source at another time I should have been very enthusiastic about it. Even yet I have some hope that it will accomplish what I think it ought to accomplish, because in subsection 2 of section 3 I find the following language:

> The members for the time being of the Tariff Board shall, by virtue of holding office as members of the said Board and by virtue of this Act, be the Commissioners, and the Chairman and the Vice-Chairman of the said Board shall be the Chief Commissioner and Assistant Chief Commissioner respectively.

If ever anything was desirable in Canada, it is, in my humble judgment, a determined, honest, upright and experienced board to deal with the questions that are, or should be, dealt with under the Combines Investigation Act. In my opinion some if not all of the criticisms of the Combines Investigation Act resulted from the appointment of Tom, Dick or Harry, or of some other person who desired to secure the position, as a commissioner to investigate this, that, or the other thing. I have in mind concrete cases in which some fine gentlemen, quite capable in an ordinary way, were appointed to investigate something they had never inquired into before, with the result that their report did not do justice to industry or to the business interests that had been inquired into. I am going to refer to one of these cases.

An investigation was made into the Proprietary Articles Trade Association, an organization which had to do with the sale of druggists' supplies. In my humble opinion the decision which finally came out was totally wrong, and contrary to the interests of the consuming public of Canada. Why do I say this? I am going to refer now to one of the points raised by the honourable senator from Alma (Hon. Mr. Ballantyne). What was the effect of that decision, which dissolved this alleged combine for fixing the resale prices of drugs and other articles handled in drug stores? The effect of that decision was—I do not think I exaggerate—to put out of business hundreds of retail druggists throughout the length and breadth of Canada. I think that is a fair statement to make.

How did this come about? Under the resale arrangement that had been in effect in the trade the druggists had agreed to sell the various articles handled in drug stores at certain fixed prices. They also bought at a specific rate. As far as I had been able to learn, the resale prices appeared reasonable and fair, and in the interest of the consuming public. But this organization was put out of business by the report of a high-class gentleman who decided, unquestionably believing he was right, that it was not legal to fix a resale price. Then mass buying came into effect. This permitted Eaton's and Simpson's and some of the other department stores to handle many of the articles which previously had been handled, and to some extent are still handled, by the druggists. The department stores, by reason of purchasing in large quantities, were able to sell at prices which would have been ruinous to the average retail druggist. The consequence was that many druggists were forced out of business. In my opinion such a condition would never have come about if the investigation and the decision had been made by a body like the Tariff Commission, composed of capable, upright business men who had looked into every angle of the situation. I think it would be all to the good if we should never again have the opportunity of appointing this, that or the other man to make such an investigation.

When the honourable senator from Alma (Hon. Mr. Ballantyne) referred to the N.R.A. and to some of the things that were going on in the United States, he evidently overlooked the fact that for many years before the N.R.A. was ever dreamed of there was in that country a Trade Commission which performed very much the same work that it is now proposed should be handled by this Trade and Industry Commission, or by the members for the time being of the Tariff Board of Canada.

I am one of the individuals referred to by the honourable senator as having had not a great deal of experience in industry.

Hon. Mr. BALLANTYNE: I was not referring to the honourable gentleman.

Hon. Mr. MURDOCK: I fully realize that, but I place myself in that category, because

it is where I belong. I have not been engaged in business, but with the intelligence I possess I have had an opportunity to view the matters involved from the standpoint of the consumer—yes, and, I hope, of the producing public. I agree absolutely with anyone who says that honest, legitimate business should not be interfered with. That could be taken for granted, I think, without question. I am sure the honourable senator from Alma (Hon. Mr. Ballantyne) would not argue—in fact I did not understand him to argue—that every individual in business in Canada or elsewhere in the world is absolutely honest and on the level. Therefore it may be fully as justifiable to provide for the correction of individuals or companies that are not on the level as for the correction of those who break the law which follows the commandment, "Thou shalt not steal."

My honourable friend will recall an investigation which took place some years ago into the handling of fruit products in Western Canada. Eight companies were fined $25,000 apiece. They paid the fines. Why was this? It was because they had been bleeding the consuming public; because they had been indulging in unfair practices.

Hon. Mr. LACASSE: Under what authority were they investigated and prosecuted?

Hon. Mr. MURDOCK: The Combines Investigation Act was in effect at that time, and is still in effect.

Hon. Mr. LACASSE: Is it not still sufficient?

Hon. Mr. MURDOCK: It appeared to be sufficient, because $200,000 in fines were collected from eight companies. Nevertheless, I still contend that it would be preferable to have some competent board that is thoroughly familiar with all phases of business to investigate this, that, or any other matter, and I think this proposal is along the right lines. My last word is this. If this proposed law goes into effect it will not, as I understand it, radically change the existing law, apart from the fact that it will render it unnecessary for the Government to call upon Tom, Dick or Harry to make a particular investigation, regardless of whether the person wanting the appointment is entirely familiar with the question to be considered. It is my hope that some day in the not too distant future the Tariff Board will have nothing to do but deal with such matters as are covered by this Bill. My judgment leads me to the conclusion that in dealing with unfair practices and combines and mergers, if there are any—and I think even the honourable senator from Alma will concede that there may be some—and in compelling everyone to line up with the upright and honest business men of Canada, we shall be benefiting both the consuming and the producing public.

Hon. RAOUL DANDURAND: I wish to say but a few words on this subject. For a number of years we in Canada have had legislation prohibiting combines and mergers. Our law has been less comprehensive than that in force in the United States. They had the Sherman Act, we the Combines Investigation Act. I said this afternoon that the activities of business, of commerce and of industry were so varied and so changing that it was not surprising that legislation also should change occasionally. The first thing Mr. Roosevelt did upon introducing his new legislation was practically to suspend the operation of the Sherman law and permit combinations and the fixing of prices. We in Canada, contrary to what appears to be the underlying principle of our Combines Investigation Act, are apparently going in the same direction.

In the present situation of affairs I am not ready to express a very clear opinion as to where the line should be drawn. I have been brought up in the Liberal school of economics and am not yet ready to renounce its doctrines. Nevertheless, I shall go to the committee with an open mind and do my best to help adjust our legislation to present-day conditions.

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

LIMITATION OF HOURS OF WORK BILL

MESSAGE FROM COMMONS

The Senate proceeded to consider a message from the House of Commons respecting amendments made by the Senate to the Limitation of Hours of Work Bill.

Right Hon. ARTHUR MEIGHEN: I hope the House will not consider my action arbitrary if I ask it to take a stand against concurrence with the other House in this matter. It is true that virtually all the work done by the Senate in relation to the very large volume of legislation coming here this session has been accepted by the other House in a proper spirit and without complaint of any kind. I should say this applies to about 99·5 per cent of the work we have done. Nevertheless, the amendment made by the Senate which the House of Commons has

declined to accept is of particular importance. I have two motions to make in relation to the matter. The first will be a motion of non-concurrence. Perhaps this will lead to a conference; perhaps the House of Commons will not insist.

The second motion is necessary for this reason. A message from the House of Commons stated that that House agreed with our first eight amendments, but declined to accept the ninth. Nothing whatever was said about all the others.

Hon. Mr. DANDURAND: The other House forgot about them?

Right Hon. Mr. MEIGHEN: The message from the other House made no mention whatever of our five amendments, Nos. 10 to 14, inclusive. So we have to take the necessary step to correct the record. My first motion will be:

That the Senate do not concur in the amendment made by the House of Commons to the ninth amendment made by the Senate to the Bill 21, intituled: "An Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919," for the following reason:

That the Senate sees no sufficient reason why with relation to the class of labour referred to in the said amendment the Bill may not go into effect at the time stipulated in the amendment.

And that a message be sent to the House of Commons to inform that House accordingly.

Hon. Mr. L'ESPERANCE: That is with regard to railway employees?

Right Hon. Mr. MEIGHEN: Yes.

The motion was agreed to.

MESSAGE TO COMMONS

Right Hon. Mr. MEIGHEN: I now move:

That a message be sent to the House of Commons to direct the attention of that House to the 10th, 11th, 12th, 13th and 14th amendments made by the Senate to the Bill 21, intituled: "An Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919," to which amendments no reference is made in the message from that House.

Hon. Mr. MURDOCK: Hansard shows that in the discussion in the other House there was at least some reference to those amendments.

Right Hon. Mr. MEIGHEN: Yes, but there was no reference to them in the message sent to this House.

Hon. Mr. MURDOCK: The amendments were referred to in the discussion.

Right Hon. Mr. MEIGHEN: Quite right. But there was an omission in the message that came to us. That message has gone into our records and we have to make the records right.

The motion was agreed to.

DOMINION HOUSING BILL

FIRST READING

Bill 112, an Act to assist the Construction of Houses.—Right Hon. Mr. Meighen.

BURRARD INLET BRIDGE BILL

FIRST READING

A message was received from the House of Commons with Bill 118, an Act respecting the Bridge across the Second Narrows of Burrard Inlet in the Province of British Columbia.

Hon. Mr. DANDURAND: Is this a Government Bill?

Right Hon. Mr. MEIGHEN: I do not know.

Hon. Mr. MURDOCK: Yes.

Right Hon. Mr. GRAHAM: I imagine it is. There have been Government bills about this bridge before.

The Bill was read the first time.

PENSION BILL

FIRST READING

Bill 119, an Act to amend the Pension Act.—Right Hon. Mr. Meighen.

BUSINESS OF THE SENATE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: Before we adjourn I should like to urge the fullest possible attendance of honourable members at sittings of the House and of committees from now until the end of the session. As regards the committees, the attendance has been very good. I do not need to emphasize that legislation now being brought down rivals in importance anything that has so far come before us this year or that we had last year.

I think we owe it to those whom we seek to serve here that we do not neglect our duties towards the end of the session, for really they become then more important and more difficult of discharge than at any other time in the session.

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

THE SENATE

Thursday, June 27, 1935.

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

Prayers and routine proceedings.

SOLDIER SETTLEMENT BILL

REPORT OF COMMITTEE

Hon. Mr. L'ESPERANCE moved concurrence in the report of the Standing Committee on Civil Service Administration on Bill 62, an Act to amend the Soldier Settlement Act.

Right Hon. Mr. MEIGHEN: Would the honourable member explain the amendment?

Hon. Mr. L'ESPERANCE: It just changes the date from the time of the coming into force of the Bill to the 1st of July, 1935.

Right Hon. Mr. MEIGHEN: Is there any reason for the change?

Hon. Mr. L'ESPERANCE: It was proposed, I understand, by the Law Clerk.

Hon. Mr. DANDURAND: I was somewhat hesitant yesterday about letting the second reading of this Bill go without opposition. I felt that the bringing in of 333 employees might involve an increased permanent expenditure, and that such action was not opportune in the closing days of Parliament. For some years I have held the view that increases of pay in the Civil Service, increases of pensions of returned soldiers or their families, and similar expenditures, are matters that should be dealt with during the first two sessions of Parliament. The reason for this is obvious and will be understood by every honourable gentleman within the sound of my voice. Recently I even suggested to a prominent member of the Government that the Senate would be acting within its rights if it laid down a rule that bills for expenditures of a certain class should be receivable in this Chamber during only the first and second sessions and not later in any Parliament.

I was present this morning at the sitting of the committee which had this Bill under consideration and I found that no objection could be taken to the measure, although it was received here very late in the session and at the tail end of a Parliament.

At a future time, perhaps next session, I may enlarge upon the idea I have outlined this afternoon.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

Hon. Mr. DANDURAND: I rise simply to draw to the attention of honourable members the fact that when this Bill came to us from another place it contained a clause stating that it should come into force on the date of its assent. We have made an amendment that it shall come into force on the 1st of July.

Right Hon. Mr. MEIGHEN: This year.

Hon. Mr. DANDURAND: This year. I have not stopped to consider what the effect would be if the Bill were not sanctioned until after the 1st of July, say, on the 2nd or 3rd. If our amendment is agreed to in another place, there will be this provision that the Bill come into effect on the 1st of July.

Right Hon. Mr. MEIGHEN: I think there will be Royal Assent before the 1st of July, that is, some day this week. But should the Bill receive Royal Assent later than the date provided for its coming into force, the result would be, in my judgment, that it would come into force on receiving the Royal Assent. It could not become effective before then, of course, and certainly it would take effect on receiving the Royal Assent unless some later date were specified.

Right Hon. Mr. GRAHAM: Could not something be placed in the Bill to give it retroactive power?

Right Hon. Mr. MEIGHEN: No; it cannot have retroactive power. It becomes effective on July 1st, unless the Royal Assent is after that date.

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

PRESS REPORTERS OF THE SENATE

REPORT OF COMMITTEE

Hon. Sir THOMAS CHAPAIS moved concurrence in the second report of the Standing Committee on Debates and Reporting.

Hon. Mr. DANDURAND: What does the report cover?

Right Hon. Mr. MEIGHEN: It merely names Mr. Norman M. MacLeod to succeed the late Mr. Thomas Blacklock on the reportorial staff of the Senate, and continues for the present session of Parliament the appointment of Mr. J. A. Fortier at a salary of $20 per week. I presume that is the former salary.

Hon. Sir THOMAS CHAPAIS: Yes.

Hon. Mr. DANDURAND: That means Mr. MacLeod replaces Mr. Blacklock, and Mr. Fortier continues on the reporting staff?

Right Hon. Mr. MEIGHEN: Yes.

The motion was agreed to.

DOMINION HOUSING BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 112, an Act to assist the Construction of Houses.

He said: The purpose of this Bill is indicated by its title. The interpretation section defines "house" as being "a building intended exclusively for human habitation comprising one or more self-contained dwelling places." The section also defines cost of construction, housing scheme, and lending institution.

The scheme of the Bill is to provide up to twenty per cent of the cost of construction for the purpose of assisting in the building of houses, the rest to be provided by a lending institution, be it a municipality, a province, or any other organization authorized to lend money. Not less than sixty per cent of the cost is to be provided by that institution. The Government and the institution rank equally as joint first mortgagees, the mortgage being taken in the name of His Majesty.

The Economic Council, established by legislation at this session, is instructed to make a report as to what, if any, portions of Canada require this assistance. The Bill also contains the usual incidental clauses for the making of regulations, the preparation of annual reports, laying them before Parliament, and so forth.

Hon. RAOUL DANDURAND: Honourable senators, having gone through this Bill and followed the explanation just given by my right honourable friend, I am firmly convinced that the proposed scheme will do very little to help the construction industry and the building trades of Canada. I see that under the Bill the Government is authorized to lend money to the extent of twenty per cent of the cost of the land and building, at a rate of interest to be fixed by the contract. If this scheme were to be taken advantage of by people throughout the land, I do not know just how the Treasury would fare in the matter of interest and capital when the time came for it to recoup itself.

But that is not the main point I have in mind. I do not believe this country is in need of a loan for building purposes. There is in our banks and other institutions money by the millions which is seeking investment at four or five per cent. What would be of assistance to the construction industry of the country would be some method by which the timid investor could invest his money, up to, say, fifty per cent of the cost, with some assurance of a reasonable return. I have heard of a scheme in the United States under which the President was urged, not to lend, but to advance twenty per cent of the cost to anyone desirous of erecting a building. The idea was that this assistance would help to take care of the high cost of wages and thereby induce the individual to build. At the present level of wages in the United States our neighbours are slow to start building operations.

In all centres where there is a large volume of unemployment it is most desirable that building should take place; but those who have money to invest have only to take out their pencils and figure out the cost in order to see that, even if there were tenants waiting to occupy the buildings when erected, the returns would not justify the risk. It has been suggested that the Government could well afford to provide twenty per cent of the cost. On the basis of twenty per cent a bonus of $100,000,000—I take that as a unit, but it can be doubled or trebled—would represent an expenditure of $500,000,000. We all recognize the truth of the saying that when building moves, everything moves—or, as we say in French, quand le bâtiment va, tout va—because all trades are interested in and benefited by construction.

I do not believe anything will be accomplished by the present scheme. The offer of a loan of $10,000,000 on the basis of twenty per cent of the cost of the land and building is but a vain gesture. It will not meet the situation, because, I repeat, thousands of individuals in the country who have money to invest are fearful of the return they will receive if they put that money into brick and mortar at prevailing wages. I think that if the Government came forward and offered the twenty per cent as a bonus instead of as a loan, something would be achieved by it.

The housing schemes proposed under this Bill are to be passed upon by the Economic Council of Canada. The members of that body may, of course, make a study of conditions; but, for reasons which I have already stated, I do not think they will find many people running after a twenty per cent loan when in addition they have to secure a sixty per cent loan elsewhere. If the members of that Council are to explore conditions and examine into the experiences of other countries, I would direct them to what has happened in Greece. In that country a commission of the League of Nations, composed of experts from many countries, and comprising the best brains available, has been engaged with the problem of housing the thousands of Greeks returned to Greece by Turkey after 1921, and the Syrian refugees who had been driven from their homes by the Turks. The experience of that commission is most interesting. I met an American gentleman who was at the head of that commission. He thought the world at large should be informed of what the commission had accomplished in the building of thousands of modern homes at a very low cost, between Athens and Piræus. I mention this because it will be the duty of the Economic Council to study what has been done elsewhere in the world. I hope some day to see with my own eyes the work done by that commission.

But I must revert to the practical effect of the legislation before us. Doubtless we shall all be wiser after the event, but I believe the scheme proposed in the Bill is not the solution of our problem.

Right Hon. Mr. GRAHAM: I do not think the honourable gentleman to my right (Hon. Mr. Dandurand) need worry about the amount of money that will be expended under this scheme. In my opinion the money will not be forthcoming. What institution is going to lend sixty per cent of the cost of building and land, knowing that the Government is to join with it in a mortgage which will constitute a liability of eighty per cent of the value of the property? I do not think any loaning institution will lend money under those circumstances.

Right Hon. Mr. MEIGHEN: My right honourable friend is probably correct if he has in mind only commercial loaning institutions created for the purpose of making money. But I think the Bill contemplates co-operation with the provinces and the establishment by them of lending institutions. This is the method the Dominion takes to assist provincial and municipal schemes. If the right honourable gentleman looks at the Bill he will see that it will include the clearance of slums and the erection in those districts of better houses for people earning low wages.

It is very easy to find fault with the measure, but I call attention to the fact that a committee of the other House sat for many weeks deliberating on this question. I remember that even in the middle ages when I was a member of the other House members were crying out for housing schemes. They had not much in their minds except the name. Finally a committee was appointed, which made a unanimous recommendation. This appears to be the plan that was recommended. I have been reading the debate in the other House so as to be safe in saying it is. From a reading of that debate, all I can say is that it seems to have been taken for granted that this is the plan that was recommended by the committee; and I may mention that a member of the committee who was unfriendly to the Government supported the plan.

Either we are going to have a housing policy or we are not, and I fancy that the committee, composed as it was of members on both sides, has probably done the best that can be done, and that this Bill reflects that best. If it is the will of either House to defeat that recommendation, all right; but if that should happen I hope the members of neither House will ever cry for a housing scheme again.

The lending institution may be a municipality. It may be, say, the city of Montreal, or the city of Toronto, which wants certain sections cleared out. When it provides the money up to sixty per cent, we come along and say: "We will help you by giving you twenty per cent—"

Hon. Mr. DANDURAND: By lending twenty per cent.

Right Hon. Mr. MEIGHEN:—"by lending you twenty per cent and getting into the same boat with you." The honourable senator opposite (Hon. Mr. Dandurand) advances the novel idea that if the money were given outright it would be more acceptable. No doubt that would be much more agreeable, and people would avail themselves of it much more readily. But if the honourable gentleman were on this side of the House he would not be supporting any such proposal. We lend the money. The interest rate will probably be quite low. That is the method which has been chosen to assist in this matter. It is not primarily a responsibility of the Do-

minion. We merely take a secondary and ancillary part. We say: "We will do this much. Now see what you can do."

Hon. Mr. HARDY: Would it not be necessary for the municipalities to get power from their respective legislatures?

Right Hon. Mr. MEIGHEN: Yes. I believe housing Acts have been passed by some legislatures, but I do not know just how many. I think that until lately no municipality had the necessary power under the Municipal Act. Special legislation would be required, unless it had already been passed, and if any has been passed it is of recent date.

Hon. Mr. HARDY: The right honourable gentleman from Eganville (Right Hon. Mr. Graham) raised the point that loan companies would never consider lending sixty per cent in conjunction with the Dominion's loan of another twenty per cent, to form a total loan of eight per cent. I think that any honourable members who sit on boards of loan companies will bear me out when I say it would be difficult to find a single company which advances more than fifty per cent on any real estate, especially at the present time. Members of city councils, town councils and municipal councils of all kinds, as a rule, are not the people who pay the heaviest taxes, and we know they are exceedingly generous when it comes to lending or granting money for almost any purpose. To my mind there is no question in the world that advances of sixty per cent plus loans of twenty per cent from the Federal Government would in the not far distant future run into disastrous losses for municipalities which are not very careful. And in Canada to-day it is difficult to find any municipality that is very careful.

Right Hon. Mr. GRAHAM: I think my right honourable friend (Right Hon. Mr. Meighen) yesterday referred to some people who had theories. I might do the same. As a theory, the house-building scheme looks well, but those who have any experience in supplying the demand for more houses discover that it does not work out so well. I myself had some experience. My own town formed a small company in response to the general demand for the building of houses, and it was a careful company, but every cent I put into it was lost, and more too. As a matter of fact, when we came to settle up the company's business some of us had to pay more money and take houses we did not want, which were left with us. Perhaps my honourable friend from Leeds (Hon. Mr. Hardy) was not connected with the scheme, but he knows the circumstances.

In theory the building of houses to supply a demand is wonderful to contemplate, and when you go into the business you feel that you are almost a philanthropist; but the practical effect is that little good comes to the people who wanted houses, and loss to the men who felt themselves to be philanthropists in this respect.

I still have the view that unless something more definite is included in the Bill—and I am free to admit that I cannot suggest what it should be—very little money will be spent on this enterprise, good as it may be. As my honourable friend from Leeds (Hon. Mr. Hardy) has pointed out, municipalities which have had any practical experience in a housing scheme will not, at least with the consent of their ratepayers, rush to invest money under the terms of this Bill.

Hon. C. P. BEAUBIEN: Honourable senators, the outlook for this legislation does not appear to be very encouraging. Recently I listened to a very eloquent speech by Sir Francis Floud, in which he described the measures taken by Great Britain to assist in the re-establishment of business activity. He stressed particularly the policy adopted in that country for the construction of houses. I was agreeably surprised to hear him declare that within the last few years, I think six or seven, enough new homes had been built in Great Britain to house twenty-five per cent of the total population. Now, if such is the case, there must be some way in which a Government can stimulate construction, and surely that way has been found in Great Britain.

Right Hon. Mr. GRAHAM: Have they got any financial results from their construction?

Hon. Mr. BEAUBIEN: I understand that the scheme has functioned perfectly well.

Hon. Mr. DANDURAND: What is the scheme?

Hon. Mr. BEAUBIEN: I am not conversant with the details, but I understand that money is lent for rather modest construction at a very low rate of interest, and is repayable by annuities instead of rent, over a period of years. It seems to me there is every reason why we should study that scheme, and if conditions here are not too different from those in Great Britain we should perhaps adopt as many as possible of the methods used there. I think everybody will recognize that activity in construction has served more than anything else to re-establish prosperity in Great Britain.

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. BEAUBIEN: What is true in Great Britain could be true in Canada. I think I am right in saying that there were 300,000 workmen directly employed in construction in Canada—

Right Hon. Mr. MEIGHEN: Normally.

Hon. Mr. BEAUBIEN: In 1929. And I venture to say that there were as many indirectly employed; that is to say, in the preparation of materials required for building. That is a total of 600,000 workmen. If that figure is fairly accurate it means that practically one-third of our population is interested in construction, directly or indirectly. Should we not therefore concentrate on construction, more than on anything else, as a means of re-establishing prosperity in this country?

Hon. Mr. DANDURAND: Hear, hear.

Hon. Mr. BEAUBIEN: Great Britain has given a good example. If that country has been able to build sufficient new homes for twenty-five per cent of its total population of 42,000,000, is it not worth while for us to see whether we cannot employ the same scheme, or something approaching it, and try to bring about similarly good results for this country? The English scheme is apparently sound from the point of view of business.

I am strongly in favour of encouraging construction, or, as it might be termed, the manufacture of capital goods. The lack of activity in this industry is hindering the re-establishment of normality in business. For my part I think that this measure is well worth studying with a great deal of care. In my opinion it might, with modifications if necessary, go further than much of the other legislation that has been submitted to us in re-establishing prosperity in Canada.

Hon. Mr. DANDURAND: One good feature of the Bill has not been mentioned. The Economic Council may look around the world to see which country has the best housing scheme, and may report to us next year.

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

BURRARD INLET BRIDGE BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 118, an Act respecting the Bridge across the Second Narrows of Burrard Inlet in the Province of British Columbia.

Right Hon. Mr. MEIGHEN.

He said: Honourable members, the purpose of this measure is to declare that the bridge already constructed across the Second Narrows of Burrard Inlet in the province of British Columbia is a lawful work. The bridge has had a rather checkered and tragic history. The former structure, which was in use for many years, was apparently not designed to take care of navigation and other necessities. Accidents occurred one after another, and finally, I think, the whole span fell. In any event, the bridge was out of commission for some time. In 1931 an Act was passed empowering the Burrard Inlet Tunnel and Bridge Company to rebuild the structure, and specifying the nature of the construction. It was to have, according to section 4 of that Act, a fixed span of 300 feet. But what actually occurred was that the Vancouver Harbour Commissioners purchased the bridge and built it with a vertical lift span in place of the 300-foot fixed span. This measure declares that the structure is a lawful work and is not to be deemed an interference with navigation. It is necessary that we take this step, because of our jurisdiction in respect of navigation.

Right Hon. Mr. GRAHAM: I agree that this bridge has had a checkered career. The question in my mind is: Does it interfere with navigation? Are we legislating something that conflicts with our marine law?

Right Hon. Mr. MEIGHEN: We never do that.

Right Hon. Mr. GRAHAM: I am not sure, after this session. Before a bridge can be constructed across a navigable stream there has to be consent of the Department of Marine, through Order in Council, I think.

Hon. Mr. KING: The Department of Public Works.

Right Hon. Mr. GRAHAM: The Departments of Public Works and Marine, both, I think.

Hon. Mr. KING: Under the Navigable Waters Protection Act.

Right Hon. Mr. GRAHAM: Before a structure can be placed across a navigable stream it must be made clear that the plans and specifications have been approved by one or two departments of the Government, in order that navigation may be protected. Now, it is proposed that we declare this bridge does not interfere with navigation. What have the Department of Public Works and the Department of Marine to say about it? We are legislating over and above their authority in this matter.

Right Hon. Mr. MEIGHEN: This is a Government measure, and of course the Government represents all departments. We have therefore a right to assume that the Public Works Department is satisfied. The point was not raised at all in the debate in the Commons—in fact there was no debate.

Right Hon. Mr. GRAHAM: That is not an uncommon thing.

Right Hon. Mr. MEIGHEN: I have a history of the structure under my hand. What is our position? The authority incident to the department is probably not exercisable, for that authority, I understand, must be exercised prior to construction. Consequently a statute is necessary. The bridge was built, not privately, but by the Vancouver Harbour Commission, which is really a creation of this Parliament. The Government, representing all departments, says: "This bridge is all right, but we have to come to Parliament to have it so declared by statute." This Bill does that, and does no more.

Hon. Mr. DANDURAND: That is, we are now doing after construction what apparently should have been done before.

Right Hon. Mr. MEIGHEN: Yes, it should have been done before, and would have been done had the bridge been constructed by a private company. But the bridge was constructed by the Government indirectly, through the Harbour Commission.

Hon. Mr. KING: Not originally.

Right Hon. Mr. MEIGHEN: Not originally, but the present bridge was so constructed.

Hon. Mr. KING: Yes.

Right Hon. Mr. MEIGHEN: In order that there may be nothing illegal in the work, the Harbour Commission not being the Government, this Bill becomes necessary.

Right Hon. Mr. GRAHAM: I appreciate the explanation, and I think it is the only one that can be given. But the Harbour Commission is not the Government—

Right Hon. Mr. MEIGHEN: That is the reason this Bill is necessary.

Right Hon. Mr. GRAHAM: —and the Government must not be held responsible for what the Harbour Commission does. If the Harbour Commission of Vancouver, Montreal or some other port desires to build a bridge, it is its duty, just as much as it is the duty of a private company, to get the consent of the Government through the proper channel, and to guarantee that the structure shall not interfere with navigation. I am not stressing the irregularity, but the rights of navigation ought to be secured before even a Harbour Commission undertakes to build a bridge.

Right Hon. Mr. MEIGHEN: Yes. I find this among certain elaborate notes furnished to me:

> The Harbour Commissioners have purchased the bridge and have reconstructed it, not as it was originally, but with a vertical lift span in the place of the span that was knocked down by the "Pacific Gatherer" in 1930.

That is the name of the barge.

> Approval was obtained under both the Navigable Waters Protection Act and the Railway Act for the plans of the remodelled structure, but in order to put the legality of the same beyond question, counsel for the Vancouver Harbour Commissioners has advised that it would be safer to have similar legislation enacted with regard to the remodelled span as was enacted in 1931, and the Department of Justice has concurred in this view.

Right Hon. Mr. GRAHAM: That clears up the matter. The Harbour Commissioners did what they were expected to do.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

PENSION BILL

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of Bill 119, an Act to amend the Pension Act.

He said: Under the Pension Act it is provided that in the event of a vacancy occurring in the chairmanship of the Pension Commission the Governor in Council may appoint a judge of the Superior Court of any province to be acting chairman for a period not exceeding one year. I speak subject to correction, but I am pretty sure that Mr. Justice Taylor was selected for this post.

Right Hon. Mr. GRAHAM: He is there now.

Right Hon. Mr. MEIGHEN: He has occupied the position for nearly a year, and it is the intention to extend his occupancy for another year. Consequently we have to amend the statute by changing the year to two years. That is the purpose of the Bill.

Right Hon. Mr. GRAHAM: If I had three votes I would give them all in favour of this Bill. I have had something to do with Mr. Justice Taylor, and I think he is one of the best officials this or any other Government ever had.

Right Hon. Mr. MEIGHEN: It is unnecessary to inform the House that he comes from Portage la Prairie.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

ADJOURNMENT

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: This is Thursday, but on account of the large amount of work awaiting attention, especially at the hands of the Banking and Commerce Committee, I am afraid it will not be possible to adjourn over to-morrow. We shall sit to-morrow, and reassemble on Tuesday next, Monday being a statutory holiday.

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

THE SENATE

Friday, June 28, 1935.

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

Prayers and routine proceedings.

FRUIT, VEGETABLES AND HONEY BILL

REPORT OF COMMITTEE

Hon. Mr. DONNELLY presented, and moved concurrence in, the report of the Standing Committee on Agriculture and Forestry on Bill 95, an Act respecting Fruit, Vegetables and Honey.

Hon. G. V. WHITE: I think we should have an explanation.

Hon. J. J. DONNELLY: Honourable members, Mr. Wheeler, Acting Commissioner of the Fruit Branch of the Department of Agriculture, appeared before the committee and gave a full explanation of the Bill. The purpose of the Bill is to consolidate the Root Vegetables Act of 1927 with the Fruit and Honey Act of 1934, and to give effect to part of the report of the Price Spreads Commission. The definitions are practically the same as in the old Bills, with a few exceptions. The definition of the word "dealer" is changed so as to exclude the retailer and the person selling or shipping only produce of his own growing.

With regard to the word "export," I think we have already had some discussion in the Senate. Honourable members will recall that when the Fruit and Honey Act came before us last session the word was defined so as to include interprovincial trade. Some objection was taken to that by honourable members, and the Bill was amended by insertion of the words "and interprovincial trade" after the word "export." A couple of weeks ago the Committee on Agriculture had before it Bill 72, to amend the Live Stock and Live Stock Products Act, and in that Bill the word "export" was defined to mean export out of Canada or out of any province to any other province thereof. The honourable gentleman from Queen's (Hon. Mr. Sinclair), I think, reminded the committee of the objection that had been taken in the Senate to the use of the word to cover interprovincial trade, and we took the matter up with Mr. McCallum, who was present as representative of the Live Stock Branch, and he promised to get some information on the matter before the next sitting of the committee. He later got into touch with me and said he had taken the matter up with the Department of Justice, which was strongly in favour of leaving the definition as it was, that is, to include interprovincial trade. He suggested that I interview Mr. Edwards, the Deputy Minister of Justice. I did so, and Mr. Edwards pointed out to me that for the sake of uniformity it was desirable that the word be defined as it came to us in the Fruit and Honey Act last year, before we amended it. From what he said I gathered that the Department of Justice was more concerned with having a term that was strictly legal and convenient than with the niceties of the English language. I told him of the objection raised in the Senate. He cited to me three or four judgments of the English courts which supported the definition that he preferred should be given to the word "export." One judgment was to the effect that anything shipped out of a port, even though consumed in the same country, came under the heading of export. In view of the explanation made by the Department of Justice the word "export" was not amended by the committee.

The committee's amendments were made at the request of the representative of the Department of Agriculture, and were of a minor character.

Right Hon. G. P. GRAHAM: Honourable senators, I am the guilty party who objected to the word "export" being defined so as to include interprovincial trade. When you go to a shrewd lawyer, in or out of the Department of Justice, he will be likely not to consider the general effect, but to look for some legal peg to hang his hat on. No matter what the courts have said, the general acceptation of the word "export" is that it means the sending of goods out of one country to another. I am afraid that if the proposed definition is included in the statutes it will prove to be a wedge dividing Canada into nine distinct parts, each one looking after what it imagines to be its own best ends. We have nine provinces. Ontario and Quebec began this business of prohibiting interprovincial trade, but because the commodity concerned happened to be liquor the people did not much care what was done with it. Honourable members will recall that at one time —and perhaps the practice still exists—an Ontario man's baggage coming from, say, Montreal, was searched on the train for the purpose of seeing whether there was any Quebec liquor in it. That practice in itself was perhaps not of great importance, but it was then that the thin edge of the wedge was inserted and the process began of dividing Canada into nine separate entities. It proclaimed to the world that we were not willing to trade freely even among ourselves.

That course has been followed up by certain regulations or by-laws between Ottawa and Hull, as a result of which trade between these two cities has been to a certain extent restricted. Now we find that in British Columbia there is complaint about certain goods, such as live stock, coming in from Alberta. If this tendency keeps up we shall see the development of the provincial idea which we have been trying to get away from ever since 1867, and the time will come when every member of Parliament will consider it his sole duty to seek to promote the interest of his own province rather than of the Dominion as a whole. That will be entirely contrary to what the Fathers of Confederation had in mind should be done. At the time of Confederation each province made what it considered were sacrifices, in order to bring about national unity.

I am afraid that the effect of defining "export" so as to include interprovincial trade will be a very bad one. We shall probably see in some American newspapers the statement that the disintegration of Canada into provinces has begun. I do not believe that any province will ultimately gain by seeking to restrict trade with other provinces, because in the long run the people will not stand for that kind of thing.

If some people have their way in getting this new definition attached to the word "export," we are likely to have before Parliament some day a proposition that each province should have a tariff of its own. Such a proposition has already been made in one province. This measure is a tariff in another form, because it is a restriction on interprovincial trade. If the time ever comes when all our provinces cannot deal with one another, it will be very discouraging to those who have devoted their lives to the ideal of a united Canada.

Hon. Mr. DONNELLY: I think perhaps the purpose in using this definition is to give inspectors of the Fruit Branch more authority in regard to the inspection of fruit shipped from one province to another. The right honourable senator from Eganville (Right Hon. Mr. Graham), like myself, is not a member of the Bar, and I do not know that we are qualified to give a legal definition of a term. I agree with him that the use of the word "export" is not very appropriate. However, the committee was guided in this matter by the advice of the Department of Justice.

Hon. Mr. DANDURAND: Constitutionally, we cannot interpose a barrier against the free flow of commerce from one province to another.

Hon. Mr. GRIESBACH: In what section of the Bill is any such barrier created?

Hon. Mr. DANDURAND: I am not discussing this Bill; I am discussing generally the question raised by my right honourable friend from Eganville (Right Hon. Mr. Graham). I confess my conception of the unity of the United States received its first shock when I found that a person arrested in New York for a crime committed in New Jersey could not be transferred to New Jersey without extradition proceedings. As is well known, when framing the British North America Act we strengthened the federal authority in order to avoid many of the weaknesses which became apparent in the American Constitution at the time of the Civil War. I repeat, I am not discussing this Bill, but I am confident that the Parliament of Canada is not competent to pass legislation which would prevent the free movement of goods from one province to another.

Hon. Mr. GRIESBACH: I should like to ask the right honourable senator from Eganville in what section of the Bill he finds any suggestion of interference with the free flow of trade between one province and another. Does he find it in the definition of "export"?

Right Hon. Mr. GRAHAM: The word "export" has always been understood to apply to goods sent out of Canada to a foreign country. The word ought not to be applied to trade between one province and another.

An Hon. SENATOR: Hear, hear.

Right Hon. Mr. GRAHAM: If the definition in the Bill is retained, goods on the dock, say, at Charlottetown, destined for Halifax or Montreal, will be marked "export" and treated as if they were to be sent to California. That will not impress visitors to this country with a sense of our national unity. Notwithstanding the opinion of the Department of Justice, I feel it is not beyond the wisdom of this House to find a more appropriate word to express the purpose of the Bill. It should not be necessary to apply "export" to interprovincial trade. I do not like the Bill itself; I like still less the proposed definition of "export," for to my mind it is an insult to Canadians to draw a line of demarcation between provinces.

Hon. Mr. DANDURAND: "Export" will be found in the interpretation clause. It is defined as "export out of Canada or out of any province to any other province thereof."

Hon. Mr. GRIESBACH: The word is used in the same sense with respect both to shipment out of Canada and shipment from one province to another. The words "export" and "import" are used in their restricted sense in our Customs Act and customs regulations; therein "export" means to send goods out of Canada and "import" to bring goods into Canada. But the components of "export" are the two Latin words ex—out—and porto —to carry. The French word porter comes from the same root. So to transport goods from a city or county to another city or county would be to export them, and it would be no abuse of the word to employ it in that sense.

Right Hon. Mr. GRAHAM: Our people will not understand what it means.

Hon. Mr. GRIESBACH: The officials of the Justice Department were not called upon to find a substitute expression; they were asked simply to express an opinion as to whether "export" is an apt word. They say it is. But I am sure that if the right honourable senator, a newspaper man and master of English, can suggest a better word, the House will be very glad to adopt it.

Right Hon. Mr. GRAHAM: Last session we amended the interpretation clause in a Bill which was then before us. We restricted "export" to goods destined for foreign lands, and applied the term "interprovincial trade" to trade between provinces. "Export" has always meant the transportation of goods from the Dominion to a foreign country.

Hon. Mr. DANDURAND: Foreign trade.

Right Hon. Mr. GRAHAM: "Export" applies to foreign trade. I do not like the word. We might just as well say that goods sent from Ottawa to Manotic are "export" goods. I think the words "interprovincial trade" cover the situation, and are much more Canadian in spirit than the word "export."

Hon. J. E. SINCLAIR: As stated by the Chairman, the committee gave some consideration to the use of the word "export" in the definition in clause 2 of this Bill, for the reason that, in dealing with the definition clause of the Fruit and Honey Bill last year, the Senate made use of the words "export and interprovincial trade."

Hon. Mr. GRIESBACH: "Export or interprovincial trade?"

Hon. Mr. SINCLAIR: "Export and interprovincial trade." That was in the Fruit and Honey Act of 1934. The Bill we are now considering consolidates that Act with the Root Vegetables Act.

A short time ago we passed an amendment to the Live Stock and Live Stock Products Act, in which the word "export" was defined as it is in this Bill. At that time the committee gave consideration to the expression used by the Senate last year in the Fruit and Honey Act, and, as has been stated, on the suggestion of the official who was present to explain the Bill the Chairman interviewed the Department of Justice. The officials of that department submitted a reference to certain cases in which the word "export" had been defined by the courts in Great Britain.

Hon. Mr. GRIESBACH: As meaning what?

Hon. Mr. SINCLAIR: I shall come to that if the honourable gentleman will wait till I finish. I had an opportunity to read the reference. It explained that the word "export" meant the carrying of goods from one port for sale in another port in the same country or in another country. As an illustration: the shipping from Newcastle of coal

to be sold for consumption in any other part of England would constitute export; but the selling of coal from Newcastle to a yacht having headquarters there, and which consumed the coal on the high seas or elsewhere, would not be export.

We are using the word "export" in a slightly different sense. We say in this Bill that it shall mean the sending of goods from this to another country, or from one province to another within this country. But we do not define as export the shipping of goods from one point in a province to another point in the same province. It appears to me that the Department of Justice is seeking to make the various bills of the Department of Agriculture conform with one another as far as the word "export" is concerned.

I think there is a good deal of force in the contention of the right honourable senator from Eganville (Right Hon. Mr. Graham), and as the question is one which involves a broad consideration of the use of language, I think the decision should be made by the Senate rather than by the committee. We are dealing with the question of giving power to the department to inspect and put grades on vegetables, fruit and honey. We are giving it the right to grade this produce, and we require that before any such goods are shipped for sale, whether by rail or motor truck, they must have attached to them evidence of having been graded by a qualified grader of the Fruit Branch of the Department of Agriculture. The Bill gives the department power to place under detention any goods that are being shipped from one province to another, or out of Canada, if they do not bear the approval of a Government inspector. The use of the word "export" to mean interprovincial trade may have a bad significance, but the effect of the law will not be altered in the least if we change the word.

In consolidating the two Acts certain amendments were made. They are of a minor nature, though they may appear important to those affected by them. It will be noted that this Bill gives a different definition of the word "dealer" from that contained in the Fruit and Honey Act of 1934. In that Act "dealer" was defined as

> any person who deals in fruit or vegetables to the amount of five carloads or the equivalent in any calendar year, but if a retail dealer, to the amount of ten carloads or the equivalent in any calendar year.

But the present Bill gives this definition:

> "dealer" means any person who acquires produce other than as a retailer or who acting in a representative capacity collects from two or more primary producers and in either case sells the same or consigns or transports the same for sale.

This definition is used largely to facilitate the licensing of dealers. On its face it appears to be very broad with respect to the classes who are to be considered as dealers, and who therefore will require licences from the department before they can handle produce covered by the Bill, namely fruit, vegetables and honey. This definition would apply to a large portion of our potato-growing population in Eastern Canada, because on fine days in the winter season farmers unite with one another in assembling carloads of potatoes for shipment. They take advantage of mild days in the winter to do this. Very few individual farmers can move a carload to the shipping point in a single day. It would be a very harassing procedure to require all these farmers to be licensed as dealers.

This matter was taken up in the committee and we were assured by representatives of the department that there was no intention of carrying out the power given by the measure in this respect. But certainly extreme power is given to the Minister—virtually to the branch of the department that administers the law. If this Bill is passed, officials will have very much greater power than it is necessary for them to have at the moment, or that we should like to see them use. Whether it is a wise course or not to give them such power is a question for the House to decide. Personally I should prefer to see the Bill kept more closely to actual requirements, so that there would be no possibility of unnecessarily harassing certain sections of our population.

There are other amendments made in this consolidation. The definition of the word "produce" is changed to include fruit not grown in Canada, as well as fruit grown in Canada.

The Chairman of the Committee (Hon. Mr. Donnelly) has referred to the minor amendments made by the committee. The purpose of these changes was to bring out the true intent of the measure. I agree with what has been said by the Chairman as to the reasons why the committee made no amendment respecting the word "export." I think it is for the House to decide whether this word should be used as including interprovincial trade. We had no legal advice in the committee, and I believe all the members felt that the matter should be brought before the House for consideration.

Hon. Mr. DANDURAND: Would it not be advisable to adjourn this debate until Tuesday next, so that the right honourable leader of the House might be informed of the discussion and give us his advice?

Hon. Mr. GRIESBACH: That will be quite satisfactory.

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

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Sir Lyman P. Duff, Chief Justice of Canada, acting as Deputy of the Governor General, would proceed to the Senate Chamber this day at 4.30 p.m. for the purpose of giving the Royal Assent to certain bills.

NATURAL PRODUCTS MARKETING BILL

FIRST READING

Bill 117, an Act to amend the Natural Products Marketing Act, 1934.—Right Hon. Mr. Meighen.

ADJOURNMENT OF THE SENATE

Hon. Mr. GRIESBACH moved that when the Senate adjourns to-day it stand adjourned until Tuesday next at 3 p.m.

Right Hon. Mr. GRAHAM: Does my honourable friend know whether the House of Commons is meeting on Monday?

Hon. Mr. GRIESBACH: I do not know anything about that. The right honourable the leader asked me to move adjournment until Tuesday at 3 o'clock.

Right Hon. Mr. GRAHAM: I am not objecting to the motion. The Committee on Banking and Commerce will have plenty to do between now and Tuesday at 3 p.m.

The motion was agreed to.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn during pleasure:

Right Hon. Mr. GRAHAM: The Banking and Commerce Committee will, as usual, meet after the House rises.

Hon. Mr. GRIESBACH: At once?

Right Hon. Mr. GRAHAM: At once.

The Senate adjourned during pleasure.

The sitting of the Senate was resumed.

FARMERS' CREDITORS ARRANGEMENT BILL

FIRST READING

A message was received from the House of Commons with Bill 114, an Act relating to the application of the Farmers' Creditors Arrangement Act, 1934, in the Province of British Columbia.

The Bill was read the first time.

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

Hon. Mr. DANDURAND: No, no; next sitting.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Sir Lyman P. Duff, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act respecting The Portage la Prairie Mutual Insurance Company.

An Act to amend the Admiralty Act, 1934.

An Act respecting The Wapiti Insurance Company.

An Act to amend the Juvenile Delinquents Act.

An Act to amend the Criminal Code.

An Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.

An Act to establish an Employment and Social Insurance Commission, to provide for a National Employment Service, for Insurance against Unemployment, for aid to Unemployed Persons, and for other forms of Social Insurance and Security, and for purposes related thereto.

An Act to amend the Live Stock and Live Stock Products Act.

An Act to amend the Post Office Act.

An Act respecting Fair Wages and Hours of Labour in relation to Public Works and Contracts.

An Act to amend the Income War Tax Act.

An Act to provide for Minimum Wages pursuant to the Convention concerning minimum wages adopted by the International Labour Organization in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding parts of the other treaties of peace.

An Act to amend the Weights and Measures Act.

An Act to incorporate The Community, General Hospital, Alms House and Seminary of Learning of the Sisters of Charity at Ottawa, Canada.

An Act for the relief of Muriel Mabel Mutthart.

An Act for the relief of Emile Fossion.

An Act for the relief of Eva Bennett.

An Act for the relief of Helen Gertrude Bryant Wilson.
An Act for the relief of Gladys Sarah Jenkinson Weeks.
An Act for the relief of Mary Elizabeth Taylor Nicholson.
An Act for the relief of Jean Taggart Harfield.
An Act for the relief of Lily Usheroff Bruker.
An Act for the relief of Hilda High de Boissière.
An Act respecting the Bridge across the Second Narrows of Burrard Inlet in the Province of British Columbia.
An Act to amend the Pension Act.
An Act to amend The Dominion Franchise Act.

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

The House of Commons withdrew.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, July 2, at 3 p.m.

THE SENATE

Tuesday, July 2, 1935.

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

Prayers and routine proceedings.

LIMITATION OF HOURS OF WORK BILL

MESSAGE FROM COMMONS

A message was received from the House of Commons that that House had agreed to amendments Nos. 10, 11, 12, 13 and 14 made by the Senate to Bill 21, the Limitation of Hours of Work Bill.

Right Hon. Mr. MEIGHEN: I did not catch that list.

The Hon. the SPEAKER: The House of Commons has agreed to amendments Nos. 10, 11, 12, 13 and 14.

Right Hon. Mr. MEIGHEN: No. 9 still stands.

PRIVATE BILL

REMISSION OF FEES

Hon. Mr. LITTLE moved:

That the parliamentary fees paid on Bill U2, an Act respecting the Hamilton Life Insurance Company, be refunded to the solicitor for the petitioner, less printing and translation costs.

He said: This Bill was rejected by the House of Commons. The present motion is necessary in order to permit a refund of the parliamentary fee, which is usual when a bill is rejected.

The motion was agreed to.

FRUIT, VEGETABLES AND HONEY BILL

REPORT OF COMMITTEE

The Senate resumed from Friday, June 28, the adjourned debate on the motion for concurrence in the amendments made by the Standing Committee on Agriculture and Forestry to Bill 95, an Act respecting Fruit, Vegetables and Honey.

Hon. W. A. GRIESBACH: Honourable senators, on Friday last the Standing Committee on Agriculture and Forestry presented its report on Bill 95, in which report several amendments were recommended. Some honourable members objected to the use of the word "export" to mean, as defined in the Bill, export out of Canada or out of any province to any other province. The right honourable senator from Eganville (Right Hon. Mr. Graham) based an interesting discussion on the danger of establishing provincial trade boundaries, pointing out the generally accepted idea that trade should be free throughout Canada. I am bound to say that while I listened carefully to the discussion, I could not find in the Bill anything which would tend to restrict interprovincial trade. Honourable members were invited to suggest a better word in place of "export" as defined in the measure, but so far no suggestion has been put forward. I am making this brief explanation in order that the right honourable leader of the House may be au courant with what was done here on Friday.

Right Hon. GEORGE P. GRAHAM: Honourable members, it is not necessary for me to repeat all that I said on Friday, but I draw the attention of the right honourable leader to the fact that last session the Senate almost unanimously objected to the use of the word "export" as applied to interprovincial trade. In the Fruit and Honey Act of 1934, when it came to us from the other House, "export" was defined as meaning export out of Canada or out of any province to any other province. The Senate struck out that definition, and where "export" occurred in the Bill we inserted thereafter the words "and interprovincial trade." That amendment was agreed to by the other House.

A short while ago we received the Fruit, Vegetables and Honey Bill, in which the word "export" is defined in the same manner as that to which we took objection last year.

The Chairman of the Committee on Agriculture and Forestry (Hon. Mr. Donnelly), in presenting the committee's report, explained that he had interviewed the Department of Justice in connection with the use of this word. The department cited judgments that had been given in the Old Country, to show that in the circumstances the word "export" as used in this Bill is legal. No person doubts that it is legal. The Chairman also stated that a representative of the Department of Agriculture appeared before the committee and, as I understand it, urged that the definition as given in the Bill be retained. Now, without saying anything derogatory to departmental officials, I would point out that, as everyone who has headed a department knows, if an official is interested in a bill his ambition is to have it go through as drafted, his chief concern being that its operation be made easy. That is laudable, so far as it goes. But in Parliament we have a higher duty to perform than even to make the working of a bill easy. Last session we performed that duty when we struck out the definition of the word "export." We are responsible for policy, even though a department may not approve of details that follow upon our action. Every day in committee we are making changes by virtue of this responsibility.

I want to emphasize what I said the other day, that the use of the word "export" as applied to trade between provinces will be altogether misunderstood by foreign countries, by visitors and even by some of our own people. To my mind it will have a tendency to divide Canada into nine separate entities rather than, as we are trying to do, amid some difficulties, consolidate it into a united country. I object to "export" being applied both to trade out of Canada and to interprovincial trade. I am not going to oppose the Bill if the Committee on Agriculture thinks it will benefit trade, though I do not believe it will; but as a representative of the Dominion I do feel that the use of the word "export" to describe trade between provinces is not good for Canada as a whole.

Last session we amended the definition clause of the Fruit and Honey Bill to read "export and interprovincial trade." This describes the situation exactly. We all agreed at that time that it was misleading to apply "export" to trade between provinces. We have always applied the word to foreign trade. To apply it to interprovincial shipments will not tend to perpetuate a feeling of national unity, but rather will lend colour to the idea that we are more concerned with provincial than Dominion interests. This Bill consolidates the Root Vegetables Act and the Fruit and Honey Act, and apparently departmental officials are seeking to restore the definition of "export" which, as I have said, we amended last session.

Hon. Mr. CALDER: What legal objection was taken to the addition of the words "and interprovincial trade"?

Right Hon. Mr. GRAHAM: There was none. I think the honourable member from Queen's (Hon. Mr. Sinclair), being a member of the Committee on Agriculture, can explain the situation thoroughly. As I understand it, the definition was suggested by an official of the department for the purpose of rendering the Act more workable.

Hon. Mr. CALDER: It seems to me it would have the opposite effect.

Right Hon. Mr. GRAHAM: Yes, I should think it would have the opposite effect. The two classes of trade are distinct and separate, and our amendment would keep them so.

Hon. Mr. SINCLAIR: Honourable senators, the change made in the definition of "export" was made last session when the Committee on Agriculture was dealing with the Fruit and Honey Act. Under this Bill that measure is now being consolidated with the Root Vegetables Act. The interpretation clause defines "export" to mean "export out of Canada or out of any province to any other province thereof."

The Chairman of the Committee (Hon. Mr. Donnelly) interviewed the Deputy Minister of Justice, who advised him that "export" as defined in this Bill is similarly defined in the Live Stock and Live Stock Products Act of this session and also in another Act, administered by the Health of Animals Branch, and that for the sake of uniformity it was desirable to retain the definition. He cited three or four judgments of the English courts in support of the definition that the department preferred should be given to "export." I understood from the Chairman of the Committee on Friday that he intended to have those citations sent to the right honourable leader of the House (Right Hon. Mr. Meighen). I presume this was done, and therefore it will not be necessary for me to give the substance of the decisions.

The committee was of opinion that in view of the broad question raised last session by the right honourable senator from Eganville (Right Hon. Mr. Graham) it would be better for the Senate to decide whether the definition

should be amended. No members of the legal profession were in attendance, nor had we the advice of the Law Officer of the Senate. The purpose of the Bill is to empower the Department of Agriculture, through its Fruit Branch, to administer the two Acts proposed to be consolidated. The branch will apply grading regulations and compel shippers of produce, both for interprovincial and for export trade, to attach proper certificates of grade. Whether or not we amend the word "export," the powers contained in the Bill remain unchanged.

Right Hon. Mr. MEIGHEN: Honourable members, I have looked over the amendments as passed by the Committee on Agriculture and Forestry, and submitted now for approval of this House. Those amendments appear to me to be betterments. It is not pretended that they are of great consequence.

We have now to consider whether there should be another amendment to avoid the use of the word "export" as inclusive of interprovincial trade. Personally I am strongly inclined to the view expressed by the right honourable gentleman from Eganville (Right Hon. Mr. Graham) and the honourable senator from Queen's (Hon. Mr. Sinclair). You can define "export" to mean whatever you like, for instance, "vanishing through fire." But it is always well that words should have their natural and accepted meaning; and it is particularly advisable in the case of a measure like this, which will have to be generally read and followed by large sections of our people, that it should contain nothing which would tend to convey the impression that export trade and interprovincial trade are one and the same thing. I cannot without further consideration suggest an amendment to bring about such a result, nor am I quite certain that it could be easily done. I have not had an opportunity of reading the opinion of the Department of Justice. I do not see much reason for an opinion in law at all. Unless I find that the Department of Agriculture has some sound reason for the definition, I will find some way of changing "export" to mean what it should mean, and of having the Bill include "interprovincial trade." I move the adjournment of the debate until to-morrow, when I shall be prepared with a suggestion.

The debate was adjourned.

NATURAL PRODUCTS MARKETING BILL

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 117, an Act to amend the Natural Products Marketing Act, 1934.

He said: Honourable members, this Bill amends in two or three important features what is popularly known as the Marketing Act of last session—a measure which has gone into operation fairly widely, considering the short period since its enactment.

The first amendment includes within the scope of the meaning of the term "natural product" any article "wholly or partly manufactured or derived from a product of the forest." This would cover pulp and paper, but before a forest product can be included it must be determined by the Governor in Council that it is wise to include it. The amendment goes further and includes such article of food or drink wholly or partly manufactured or derived from any product coming within meaning of the term "natural product" as may be designated by the Governor in Council. I do not know just why it is deemed necessary to make that restriction with respect to food and drink, but there is no reason why this House should take exception to it.

The next amendment provides that the Marketing Board, on terms fixed by the Governor in Council, may make loans to local boards "for the purpose of defraying operating expenses pending the receipt of charges and tolls." It will be readily understood that when the measure has commenced to operate in respect of a certain product it is some time before tolls come in. Meantime there are certain expenditures. The Act did not make provision for these advances. Of course, they are to be by way of loan and on terms fixed by Order in Council.

Section 4 provides:

> Notwithstanding any provision of this Act, any scheme of regulation may provide solely for equalization to any extent, as between the producers, of the returns received from the sale of the regulated product.

It has been found from experience to date that in the exercise of this control there comes a time when producers in a certain industry—the dairy industry, for example—swing to one dairy product, temporarily perhaps, with a consequent depreciation of the market value of that product and enhancement of the market value of other products. The boards find it necessary to have power to work out some scheme of equalization as between those producers in a single industry who are using the Marketing Board. No scheme has so far been worked out, but members of local boards desire that a scheme be devised, and this section gives the necessary authority. Particulars of the scheme cannot be given, because there might be any

one of a dozen, but the principle is laid down in the Bill and authority given for its being implemented in practice.

The first amendment contained in the next clause is unimportant: it consists of the insertion of the words "or determination" after the word "order." The second amendment is more important. It provides:

> In any prosecution under this Act or under any regulation it shall not be necessary for the prosecuting authority to prove that the product in respect of which the prosecution is instituted was produced within that part of Canada to which the scheme relates, and if the accused person pleads or alleges that the product was not produced within that part of Canada to which the scheme relates, the burden of proof thereof shall be upon the accused person.

It places upon a man who is accused of breaking the law with respect to a certain product the burden of proving that that product was not produced in that part of Canada to which the scheme applies.

Such are the amendments. I am disposed to think they should go either to the Committee on Banking and Commerce or the Committee on Agriculture. Because of the congestion of work in the Banking and Commerce Committee, I should prefer that they went to the Committee on Agriculture.

Hon. Mr. SINCLAIR: The Chairman may not be here.

Hon. Mr. LITTLE: There are only about four members of the committee in Ottawa, and I believe the Chairman has left.

Right Hon. Mr. MEIGHEN: Have you information that he will not return?

Hon. Mr. LITTLE: I do not know.

Right Hon. Mr. MEIGHEN: Then I am afraid the Bill will have to go to the Committee on Banking and Commerce.

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

FARMERS' CREDITORS ARRANGEMENT BILL

MOTION FOR SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of Bill 114, an Act relating to the application of the Farmers' Creditors Arrangement Act, 1934, in the Province of British Columbia.

Right Hon. GEORGE P. GRAHAM: Honourable members, I am not going to present an argument on this Bill; I would simply suggest that it be laid over until to-morrow, when, I think, the honourable leader on this side of the House (Hon. Mr. Dandurand) will be present. From what I have heard, I imagine that he wishes to say something about it.

The only comment I have to make is by way of warning that this Bill may establish a precedent which will lead us into trouble. We have, for instance, the Marketing Act. Suppose the province of Ontario, through its Government, were to say the Marketing Act was unconstitutional and were to apply to the courts; then, under the precedent established by this Bill, Parliament could proceed to deprive Ontario of any good or evil that might come from the Marketing Act. The same could be done with much of the legislation passed this year, the constitutionality of which, rightly or wrongly, has been questioned. This Bill is in the nature of a big stick over the head of any province that might dare to appeal to the courts. Furthermore, it would upset altogether the workings of the measures I have referred to. I just want to sound a warning note. I am one of the older men, and am very strongly in favour of keeping Confederation intact, and opposed to anything which offers the slightest comfort or solace to those who sometimes express the view that Canada is disintegrating.

However, my primary purpose in rising is to ask that this Bill be laid over until the leader on this side of the House is present.

Right Hon. Mr. MEIGHEN: I have no objection to the postponement of second reading. If the leader of the opposite side desires to speak on the measure, or to attack it, he will be much better able to do so if I say now what is to be said in its favour. He will be able to read what I have said, and will then have an excellent mark at which to shoot.

Right Hon. Mr. GRAHAM: I would always rather see the right honourable leader of the House in action than read his speeches.

Right Hon. Mr. MEIGHEN: I am not reading anything.

Right Hon. Mr. GRAHAM: The right honourable gentleman is going to ask the leader on this side to read the speech. I should prefer that the right honourable gentleman gave him an opportunity of hearing it.

Right Hon. Mr. MEIGHEN: All right. It will be a very moderate speech.

Hon. J. A. CALDER: Honourable members, I have noticed what has been said in the press in reference to this particular Bill, and there is one question I should like to put on record, so that it may receive consideration when the two leaders are discuss-

ing the Bill. Apparently there is doubt as to the constitutionality of the Farmers' Creditors Arrangement Act. The province of British Columbia has already, as I understand, entered action in the courts to test whether it is intra vires. I shall speak of the province of Saskatchewan, as I know something of what is going on there, and shall mention a personal case as to which I wonder what the eventual result would be if the Act were declared unconstitutional. The point is this. I was dealing this morning with an application to the Debt Adjustment Board for a reduction in the amount of a debt that is owing to me. I have to decide what I am willing to do. When I determine this the debtor has an opportunity to accept or to reject my decision. If we fail to agree, someone else steps in and settles the matter. Let us suppose there is a difference of $1,000 between the debtor and myself, and that somebody steps in and in some way or other effects a compromise. Where do we stand if two or three years later the Act is declared to be ultra vires? It seems to me there is danger of many mix-ups.

I am not asking that this question be answered now, but am simply pointing out that there must be many persons throughout the country who are wondering what is going to happen in connection with the multiplicity of adjustments that have been or will be made.

Hon. Mr. HUGHES: Will there be any difference in the case of an amicable arrangement?

Hon. Mr. CALDER: If the arrangement is amicable, there is no difficulty; it is only where a judge or board decides, notwithstanding the position taken by the parties.

Hon. Mr. HUGHES: Even if the Act is ultra vires?

Hon. Mr. CALDER: That makes no difference.

On motion of Right Hon. Mr. Graham, the debate was adjourned.

BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

Right Hon. Mr. MEIGHEN: The Banking and Commerce Committee meets at once. I hope all the members will be present, as the committee certainly has enough to do.

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

THE SENATE

Wednesday, July 3, 1935.

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

Prayers and routine proceedings.

COMPANIES BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on Bill 85, an Act to amend the Companies Act, 1934.

Right Hon. Mr. MEIGHEN: Honourable members, I cannot give the amendments in detail without the report, and besides I do not know that the House is desirous of entering upon a detailed discussion of what the committee has done. The consideration the committee has given to the Bill has been very extensive, though, I regret to say, not as extensive and thorough as the committee would have liked, or as it would have been had the Bill reached us earlier in the session. This measure is one of far-reaching consequence, affecting interests which concern all the people of our country, even the humblest. Consequently it would be impossible to review its provisions too thoroughly. The committee has done the very best it could in the time at its disposal, regard being had to the fact that several other important measures are also before the committee. If any honourable member interested in any particular feature will mention it, I shall be able to recall what was done with respect to it. The Chairman of the Committee could also explain the action taken.

In the main, what we have done is this. Certain features of the Act have been strengthened and made more rigid. We felt that we had to revise one important feature in order to bring it even ostensibly within the powers of the Federal Parliament. In this we deal only with federally incorporated companies—we cannot deal with any others—and we limit the powers that can be granted to them by the Secretary of State. We eliminate, as far as human ingenuity can, what is usually known as "cooking the balance sheet"—the marking up of values to represent assets which really do not exist. Wherever a mark-up of values affects the surplus, it cannot be regarded by the company in considering the dividend or in determining whether or not there is an impairment of capital. The Bill as it reached

us provided for the bona fides of the balance sheet, but we have sought to make the requirements still more rigid.

I was going to explain the point as to which we found it necessary to strike from the Bill a provision attempting to do something which undoubtedly would be not only a straining, but a breaking of the constitutional limitations binding this House. In trying to supervise and keep right, as we can, those companies which we control, and the sale of their securities, we have made the man or the underwriting company that takes the securities for the purpose of sale the agent of the company wherever we could do so with any honesty at all. But in the Bill as it came to us we find it stated as to the absolute owner of the property, the only man to whom the company can look for payment for the stock, that if he is going to sell the stock to the public he is deemed to be the agent of the company. The committee took the view that such a person cannot be deemed to be an agent; that even if he is so described he certainly is not an agent. The owner is in no sense an agent, and we cannot make him an agent, and so assume jurisdiction for ourselves, by simply saying that he is deemed to be an agent. We might just as well declare that something with respect to which the Ontario Legislature is enacting a law is deemed to be a Dominion matter. That would not make it a Dominion matter at all. So the committee felt there was absolutely no justification for assuming by this circumlocutory method a jurisdiction denied to us. No doubt this is a main feature of the measure.

The measure sought also to follow securities further by requiring that when an issuing company—of course, a federally incorporated company, under our jurisdiction—makes an arrangement for an underwriting firm to buy out its stock, it will take from that firm an agreement that when selling the stock it will see that every purchaser gets the prospectus twenty-four hours before he is bound on his subscription. We do not say that is beyond the power of the Dominion, but we do say it is perfectly futile, for the circumvention of it is so simple that it would always be resorted to. It was pointed out by the honourable senator from Ottawa (Hon. Mr. Coté) that all the purchasing company would have to do would be to sell again to another purchasing company, and that first company would give the second company the prospectus, of course. The law would be carried out to the letter, but the method would be just a mockery. Therefore we felt it unwise to put this law on the Statute Book. In this desperate struggle to pursue the firm that purchased securities from the issuing company, and then the purchaser who bought from the first purchaser, we just had to say, "Stop!"

We were of course aware of the fact that every province, I believe with the exception of Prince Edward Island, has its own commission supervising the issue of securities. These provincial bodies have studied the whole question for years and have adopted their own methods of supervision. I do not think we ought to assume that we are the only people who know how to legislate. This is a problem of the provinces. They have tried to discharge it, and they are discharging it. I think that most of the instances revealed before the Price Spreads Commission and considered by that commission to have been wrongdoings occurred before there was that provincial supervision which now is so general and, in my belief, so effective.

These are the main amendments which have been inserted. I think the Bill as it will go back to the House of Commons has been very much improved, but I do not feel as confident of our amendments and of the final result being wholly harmonious and in the best possible form as I should have felt had we been able to give it as much time as we gave to many other measures this session —as much time as in justice to the country it really demanded.

Hon. Mr. DANDURAND: I rise simply to support the statement of my right honourable friend (Right Hon. Mr. Meighen) that this proposed legislation is of considerable importance to the commercial community, and that within the limited time at our disposal we have not been able to do our work so thoroughly as we should have liked to do it. The psychological effect of the impending expiration of the session permeates Parliament. Although the Committee on Banking and Commerce has given this Bill careful attention, I venture the opinion that next session it will have to be amended. Important legislation of this character should not be drafted and enacted in a hurry. Our chambers of commerce from the Atlantic to the Pacific are keenly interested. They should have been given ample time to study the Bill and present their views to Parliament, and I think a prudent body of legislators would have afforded them such an opportunity. We have already within the last twenty-four months reviewed the Companies Act. I recognize that from time to time it may be necessary to

amend our company law. I hope that within the next twelve months the various bodies interested in the application of this proposed enactment may be able to give us their views thereon, so that, if necessary, it may be further considered and amended by Parliament.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

COMBINES INVESTIGATION BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on Bill 79, an Act to amend the Combines Investigation Act.

Right Hon. Mr. MEIGHEN: I think perhaps the Acting Chairman of the Committee could explain—

Right Hon. Mr. GRAHAM: Not so well.

Right Hon. Mr. MEIGHEN: I was absent during one of the principal days when the commitee was dealing with this Bill.

Right Hon. Mr. GRAHAM: Go on, go on.

Right Hon. Mr. MEIGHEN: The amendments are numerous, and a few of them are of some importance. The first three do not require special attention.

The fourth amendment deals with the definition of merger, trust or monopoly, and reads as follows:

"Merger, trust or monopoly" means one or more persons (a) who has or have purchased, leased or otherwise acquired any control over or interest in the whole or part of the business of another—

That, for the first time, defines as a monopoly something which just unites into one corporate organization. There need be nothing in the nature of an agreement or arrangement at all.

Hon. Mr. DANDURAND: And it does not describe it as an offence.

Right Hon. Mr. MEIGHEN: No. It is not an offence in itself.

—or

(b) who either substantially or completely control, throughout any particular area or district in Canada or throughout Canada the class or species of business in which he is or they are engaged.

The Bill as it came to us read "dominate or control." The reason for the change is purely legal. We all know pretty well what "dominate" means when used alone: it really means to control. The domination may be small or large, the control partial or complete. But we do not know what "dominate" means when used in conjunction with "control." It appeared to the committee that if both words were used the courts would look for some other meaning of "dominate" and would be compelled to say that any company which by reason of its success was larger than another concern dominated it, though perhaps not in control of it. How any company, without controlling another, could dominate it except by being larger I do not know. The committee felt the best thing to do was to say "substantially or completely control."

Then, as the Bill read originally it unintentionally took away from a person any right he might have under a patent. So the committee inserted a provision to preserve any rights acquired under the Patent Act or any other law of the country.

Also in the course of the inquiry and consideration of the Bill by the committee it was decided to be advisable to have the Commission—which is the present Tariff Board—keep in closer contact with the Minister and report to him, much as the Registrar did under the old Act, so that the Minister could at all times examine into the situation if he desired. He reports to Parliament. It is true that the new Commission will have vastly more power than the Registrar had, and will occupy a position of greater dignity, strength and independence. Nevertheless, it was felt that it should report to the Minister.

The committee also provided that the Commission, when it has finished with original documents belonging to a business, shall return them, and that it may make copies of such documents as are wanted, and thereafter the copies shall have all the probative force of originals.

We provided also against simultaneous prosecutions, on the same set of facts and for the same offence, under the Criminal Code and the Combines Investigation Act. This practice is not permitted anywhere in any other British country, nor is it the practice in Canada in any other connection. We do not say, "You cannot prosecute under both laws," but we say, "You must not place a man in the position of being prosecuted under both at the same time."

We provided also that the Act should come into force on the 1st day of October, 1935. The original provision was that the Act should not come into force before the 1st day of October, 1935, which I think is ineffective wording.

Hon. Mr. MURDOCK: Would the right honourable gentleman go back to the definition of a merger on page 2, and read it as it is changed?

Right Hon. Mr. MEIGHEN: As it is now?

Hon. Mr. MURDOCK: As it is changed.

Right Hon. Mr. MEIGHEN: It says:

Merger, trust or monopoly, means one or more persons

(a) who has or have purchased, leased or otherwise acquired any control over or interest in the whole or part of the business of another—

What we had in mind was what we understand as a combine.

—or

(b) who either substantially or completely control, throughout any particular area or district in Canada or throughout Canada the class or species of business in which he is or they are engaged.

We define it in that way, and then go on to say:

—and extends and applies only to the business of manufacturing, producing, transporting, purchasing, supplying, storing or dealing in commodities which may be the subject of trade or commerce: Provided that this subsection shall not be construed or applied so as to limit or impair any right or interest derived under the Patent Act, 1935, or under any other statute of Canada.

I think the law has always been such that anything which operates to the injury of the public is an offence and may be prohibited and punished by the Act.

Hon. Mr. MURDOCK: Does the right honourable gentleman think the words "class or species of business" would cover, for example, the handling of fruit or garden products, say, in British Columbia or Ontario, or the handling of tomatoes or potatoes in the provinces of New Brunswick and Prince Edward Island? It seems to me the words are not broad enough to cover conditions of that kind.

Right Hon. Mr. MEIGHEN: I think the language used covers that, whether it should or not. The Bill as it came to us just said "class of business." We changed this phrase to "class or species," thereby widening its scope. If the honourable member will read the definition on page 2 of the Bill—

Hon. Mr. MURDOCK: It says:

—control any class of business; or any person or combination of persons possessing or exercising within any particular area or district or generally, the sole right or power of manufacturing, producing, transporting, purchasing, supplying, storing or dealing in any commodity which may be the subject of trade or commerce.

Are those words struck out?

Right Hon. Mr. MEIGHEN: Oh, no. That is stated in another way, and more clearly.

Hon. Mr. MURDOCK: Are the words I have just read retained?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. MURDOCK: All of them?

Right Hon. Mr. MEIGHEN: No, but the meaning is.

Hon. Mr. MURDOCK: I wonder whether the right honourable gentleman would read subsection 4 as amended.

Right Hon. Mr. MEIGHEN: Read it as it was before the change, and also as it is now?

Hon. Mr. MURDOCK: No, just read it as amended.

Right Hon. Mr. MEIGHEN: Oh, we have recast it. Now it means one or more "persons," which of course, includes companies. It says:

Merger, trust or monopoly means one or more persons

(a) who has or have purchased, leased or otherwise acquired any control over or interest in the whole or part of the business of another; or

(b) who either substantially or completely control, throughout any particular area or district in Canada or throughout Canada the class or species of business in which he is or they are engaged.

That is a very simple and, I think, complete definition.

Hon. Mr. CALDER: That is any business.

Hon. Mr. MURDOCK: And there is no reference to manufacturing, producing, transporting, purchasing—

Right Hon. Mr. MEIGHEN: Oh, yes. I have finished the definition. Then there is the following:

—and extends and applies only to the business of manufacturing, producing, transporting, purchasing, supplying, storing or dealing in commodities which may be the subject of trade or commerce: Provided that this subsection shall not be construed or applied so as to limit or impair any right or interest derived under the Patent Act, 1935, or under any other statute of Canada.

Hon. Mr. MURDOCK: That is all right.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DOMINION HOUSING BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on Bill 112, an Act to assist the Construction of Houses.

He said: The only amendment is the insertion of the word "for" after the word "and" in line 17, page 1.

Right Hon. Mr. MEIGHEN: Honourable members, the amendment is verbal. It was shown to me, and is quite correct. Beyond that I do not know anything about it.

But what I rose to say is this. When the Bill was under discussion some question was raised as to whether, although all its clauses seemed to be quite fair as respects the Dominion, it would result in further building or would be ineffective. I was not able to be present on Friday. On that day the Deputy Minister of Finance was asked to appear before the Committee on Banking and Commerce, and I am informed that certain questions were put to him on this point. He has since written me a letter, with which he encloses copy of one received by him from Mr. D'Arcy Leonard, secretary of the Dominion Mortgage and Investments Association. In Mr. Leonard's letter, which I expect to have before me in a moment, very hopeful language was used as respects the efficacy of the Bill. He says that the mortgage companies undoubtedly will co-operate, and he speaks officially. It is his belief that because of the loaning value being so high in relation to the cost of construction, the measure will be quite largely availed of. There is no doubt at all that mortgage companies now are glad to get into anything which will provide use for their money on safe conditions. It may be that when losses come the Dominion will bear more than its share, but that will have to be dealt with at the time and the responsibility taken by whatever Government may be in office. I now read Mr. Leonard's letter:

Dear Mr. Clark:

With further respect to my telegram to you of the 25th instant with reference to the Dominion Housing Bill, I beg to advise you that I have been in consultation with a number of the lending institutions who are members of the Dominion Mortgage and Investments Association.

Subject to satisfactory arrangements being completed with respect to those matters left open by the Bill, these companies that I have consulted advise me that they are ready to co-operate in making joint mortgages along the plan indicated by the Bill. My inquiries indicate that they hope to be able to advance the amount contemplated by the Bill, if the demand for these loans exists.

In view of the fact that under the present system of financing construction of houses a first mortgage up to a maximum of 60 per cent only is granted, and the Bill provides for an 80 per cent mortgage at a contemplated lower rate of interest due to the Government's contribution, it is reasonable to expect that there will be a demand for these loans and that building will be greatly stimulated thereby.

Yours truly,

T. D'Arcy Leonard.

Right Hon. Mr. GRAHAM: Honourable members, the Deputy Minister did appear before the committee and was asked a great many questions, including those mentioned by my right honourable friend.

There is in the Bill a clause which the casual observer would not notice, though perhaps a really bright legal mind might catch its significance. As a layman I should call it a joker. The open sections, mentioned in that letter, include one which provides that contracts or agreements may be made between the Government and loan companies. Under certain circumstances it will be optional for the Government to protect the companies against losses by assuming more that its regular share under joint mortgages. Now, the companies may rely on that to save them from losses to any great extent.

After a bit of discussion the Deputy Minister remarked he did not think that provincial loan companies could join in this scheme, particularly with trust funds. He thought that provincial restrictions would not permit such concerns to join in an agreement to lend 60 per cent as part of an 80 per cent loan, where there would be only a 20 per cent equity left, at the best. Provincial loan companies seldom lend more than 50 per cent, particularly when trust funds are concerned, because such funds are in a sense more or less sacred.

Another point was raised, which I am repeating, but not for the purpose of objecting to the Bill. It was remarked that under the provisions of this measure a man who wished to take advantage of the loaning possibilities would, if he were building property worth, including the lot, say, $3,000, have to put up $600 himself. That would be his own investment of 20 per cent. In other words, he is expected to invest as much as the Government will lend, and many members of the committee thought this would exclude large numbers of people who really would like to take advantage of some such scheme as this in order to build little homes for themselves.

Hon. Mr. DANDURAND: I desire to reaffirm the position I took on the second reading of this Bill. At that time I was reported in the newspapers as making a rather extravagant statement, but this was due to the fact that I did not express myself clearly. The papers declared I was favourable to an advance of $100,000,000 from the Dominion exchequer, by way of a gift or bonus to the extent of 20 per cent of the value of buildings to be constructed, with a view to the starting of work throughout Canada. It was pointed out that such a plan would mean an expenditure of $500,000,000 in this country. But I mentioned those two figures at the time merely as units, with reference to a proposal made to the President of the United States. The figures would of course not be extravagant with respect to that country.

My view is that the Bill will not help in any appreciable degree to start the wheels rolling towards a rapid recovery in this country. I do not know the number of unemployed in the whole of Canada to-day, but it is stupendous. The unemployed are mostly in towns and cities. My idea was that we could well afford to make a fairly large gift, in the form of a bonus, to real estate owners or other persons who would like to build. We might advance them a bonus of 20 per cent. That would be a means of helping to put our people to work. If the Government, instead of taking the right to lend $10,000,000, had got authority to give, say, $20,000,000 as a bonus towards house-building throughout Canada, on the basis of 20 per cent of the cost of construction, we might induce people to invest money in this form of enterprise. In the present state of stagnation it is somewhat of a risk for people to put up houses, for there is only a slight hope that the proprietor will find tenants able to pay a rental that would give him a reasonable return. But by advancing 20 per cent of the cost, as a gift, and distributing it throughout the land, in large centres where there is unemployment, should we not induce a total expenditure of $100,000,000 and thus start the wheels moving towards a return of prosperity?

Right Hon. Mr. MEIGHEN: I do not want to make specific reply to what my honourable friend says, further than this. He seriously suggests that the Government give to builders of new houses 20 per cent of the cost of the houses and lots. Then he says the country is in a state of stagnation. Well, if the country is in a state of stagnation, it cannot afford to pay 20 per cent of the cost of construction in Canada. The Bill provides for a loan.

Hon. Mr. DANDURAND: Can the country not afford to continue the dole?

Right Hon. Mr. MEIGHEN: But this would not go to people who are on the dole.

Hon. Mr. DANDURAND: It would go to people who are on the dole now, but who would get employment if houses were constructed.

Right Hon. Mr. MEIGHEN: Certainly, but the 20 per cent would go to the owners of the houses. No more people would be put to work than if this 20 per cent were lent to the owners and had to be returned. Of course you can bonus people to do anything. People certainly would build houses if 20 per cent of the cost were given to them, but I do not think the Dominion Government ought to pay 20 per cent of the cost of construction. Many people who are well off would build houses under a scheme of that kind, and would thereafter rent them. They would have a big advantage over owners who are trying to rent houses which they built at their own expense.

Right Hon. Mr. GRAHAM: The Deputy Minister told us this Bill would cover the erection of apartment houses.

Right Hon. Mr. MEIGHEN: Yes. Look at the advantage that would be given to a man who used such a gift to help finance the building of an apartment, as compared with apartment house owners who had to finance the whole cost themselves. I think if my honourable friend (Hon. Mr. Dandurand) were in the other House and facing an election his suggestion would be more appropriate than it is here.

Hon. Mr. DANDURAND: Well, I have had that idea for some years. I believe that something must be done, and I should be in favour of risking $20,000,000 in order to produce $100,000,000 of work throughout the land.

Hon. Mr. GORDON: Honourable senators, I would be the last person to favour anything which would result in increasing taxation on all the people. The only reason why I am in favour of this scheme at all is that the Deputy Minister has assured us there will be companies which will come forward to put up money for house-building. I was very sceptical of the measure until that assurance was given, for I did not think there was sufficient inducement offered. On the other hand, I am so disgusted with the dole system that I would favour almost anything else; and I believe the giving away of 20 per cent as proposed would take more people off the

dole than would be taken off by any other means. The supplying of material required for the construction of houses will give work to a great many who are now on relief.

I do not know what we are spending today on the dole, but it runs into millions. I would say, with all due respect to my leader, that it would not matter at all if as a result of this allowance of 20 per cent a large number of buildings were erected by people who are rich or well off, so long as work was created for men now unemployed. I am of the opinion that no other plan will make available so much work as one like this, with the Government paying 10 or 20 per cent of the cost of construction. I shall be very glad to vote for a measure which will induce people to build.

Hon. Mr. MURDOCK: When will this Bill come into effect?

Right Hon. Mr. MEIGHEN: Immediately on being given Royal Assent.

It is a great mistake and illusion to suppose that this country is in a state of stagnation. We have passed the nadir. The indices of recovery are encouraging indeed, and in many respects show we are past the condition prevailing in the year 1926, which is taken as the normal stage. They are, I admit, accompanied by very considerable, one might almost say disastrous, unemployment. But the fact that unemployment exists in this day and generation does not mean the country is in a state of stagnation. It is an economic consequence of a scientific development. Not only do the indices show we are in a very good position at present, as compared even with 1926, but the Geneva records indicate that in many respects we have made the best recovery of all countries, and in all respects the best recovery of all countries save one.

Hon. Mr. DANDURAND: A propos of my right honourable friend's remarks, may I tell him that the last issue of the Revue des Deux Mondes states that the crisis is ended or nearly ended, but we are now facing a permanent situation. That is the real difficulty.

Right Hon. Mr. MEIGHEN: Yes, that is right.

Hon. Mr. MacARTHUR: The honourable senator from Parkdale (Hon. Mr. Murdock) raised a question that I had in mind as to when this measure will come into effect. Perhaps the right honourable leader of the House will state whether any construction now started, but not completed before the Bill receives Royal Assent, would come under its provisions?

Right Hon. Mr. MEIGHEN: I should think it would if the owner were still in a position to negotiate a loan.

Hon. Mr. MacARTHUR: That is ambiguous. Let me ask the right honourable gentleman another question. Would persons now undertaking to build not have a great advantage over those already owning houses? Are present householders not discriminated against, having had no financial assistance when they built their property? I do not agree with my honourable leader (Hon. Mr. Dandurand) with respect to his scheme; I think the other is preferable; but there is discrimination in giving the builder of a new house an advantage over the person who is already the owner of a building.

Right Hon. Mr. MEIGHEN: The honourable member is quite right, that in so far as there is an advantage it is given to the man who builds now, as compared with the man who did not have financial assistance. But it is not such discrimination as is suggested by the honourable leader opposite (Hon. Mr. Dandurand). The difference is the difference between, say, a $1,000 grant, which can be kept for ever, and a $1,000 loan which you have to pay back in toto, plus three, four or five per cent interest.

Right Hon. Mr. GRAHAM: That is, you promise to pay it back.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

NATURAL PRODUCTS MARKETING BILL

REFERRED TO COMMITTEE ON AGRICULTURE AND FORESTRY

Before the Orders of the Day:

Right Hon. Mr. MEIGHEN: Honourable members, before the first order is proceeded with I should like, with the consent of the House, to move:

That the order of reference made yesterday on Bill 117 be rescinded, and that the said Bill be referred to the Committee on Agriculture and Forestry.

I make this motion because the Chairman of the Committee (Hon. Mr. Donnelly) is present, as are, I think, several other of its members, and the committee is much less busy

than the Committee on Banking and Commerce, to whom the Bill was referred yesterday.

The motion was agreed to.

FRUIT, VEGETABLES AND HONEY BILL

REPORT OF COMMITTEE

The Senate resumed from yesterday the adjourned debate on the motion for concurrence in the amendments made by the Standing Committee on Agriculture and Forestry to Bill 95, an Act respecting Fruit, Vegetables and Honey.

Right Hon. Mr. MEIGHEN: Honourable members, the only purpose in having this report stand over until to-day was to find some method of so wording the Bill that "export" would not be applied to interprovincial trade.

It is moved by Hon. Senator Ballantyne, seconded by Hon. Senator Beaubien, that the Bill be further amended as follows:

Page 1, line 22. After "export" insert "or interprovincial trade."

Page 1, line 23. After "export" insert "or interprovincial trade."

Page 1, line 23. For the second "export" substitute "shipment."

Page 4, line 15. After "export" insert "or interprovincial trade."

All this proposed amendment does is simply to word the Bill so that it plainly covers export trade and interprovincial trade. We do not describe interprovincial trade as export trade.

Hon. Mr. SINCLAIR: May I point out to the right honourable leader that last session we amended the Fruit and Honey Act to read "export and interprovincial trade."

Right Hon. Mr. MEIGHEN: I have no doubt that what the honourable senator from Queen's (Hon. Mr. Sinclair) says is correct. The words "export and interprovincial trade" were perhaps suitable in the Fruit and Honey Act of last year, but I am sure they would not be in this case. Here it is necessary to use the words "export or interprovincial trade." Let me direct the honourable gentleman's attention to section 14:

No person shall assemble or ship honey for export unless he be first duly registered in accord with the regulations.

If we followed what was done before, the wording would be:

No person shall assemble or ship honey for export and interprovincial trade.

No person would ship honey for both. Under the present amendment the wording will be:

No person shall assemble or ship honey for export or interprovincial trade.

Hon. Mr. MURDOCK: Will the right honourable gentleman read the definition of "export" as amended?

Right Hon. Mr. MEIGHEN: The word "export" is not used in the Bill except with the words "or interprovincial trade."

Hon. Mr. MURDOCK: The marginal note to paragraph (f) of section 2 is changed as well?

Right Hon. Mr. MEIGHEN: Yes. The paragraph now reads:

"Export or interprovincial trade" means shipment out of Canada or out of any province to any other province thereof.

The Hon. the SPEAKER: The House should first adopt the amendments proposed by the committee.

Hon. Mr. DANDURAND: These are amendments to the report of the committee?

Right Hon. Mr. MEIGHEN: Yes.

The motion of Hon. Mr. Ballantyne was agreed to.

The motion of Hon. Mr. Donnelly for concurrence in the amendments made by the Standing Committee on Agriculture and Forestry was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

FARMERS' CREDITORS ARRANGEMENT BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion for second reading of Bill 114, an Act relating to the application of the Farmers' Creditors Arrangement Act, 1934, in the Province of British Columbia.

The Hon. the SPEAKER: The order stands in the name of Right Hon. Senator Graham.

Hon. Mr. MURDOCK: The right honourable leader (Right Hon. Mr. Meighen) wanted to discuss the motion yesterday.

Hon. Mr. DANDURAND: At my request my right honourable friend (Right Hon. Mr. Graham) suggested that the debate be adjourned. The right honourable leader of the House very kindly accepted the suggestion. I should like now to have the right honourable leader's explanation of the Bill.

Right Hon. Mr. MEIGHEN: I wanted to make the statement yesterday. One remembers more accurately just after reading the facts than twenty-four hours later. Last session Parliament passed the Farmers' Creditors Arrangement Act, to take care of distressed or —to use a more offensive term—bankrupt farmers. It provides for voluntary settlement of debts through the interposition of official receivers. In the event of failure to agree, the matter is referred for final decision to a board of review headed by a high court judge, there being one board in each province. The settlement contemplated by the Act included all debts—even debts due to provincial governments or commissions. Obviously any settlement short of that would be perfunctory and worthless; in fact, it could not be effected under any bankruptcy jurisdiction, for a settlement in bankruptcy involves everything and gives the debtor a fresh start.

Farmers have availed themselves of the Act most extensively, and the number of cases dealt with is a surprise to me, considering the short time in which the legislation has been in effect. I think it has worked successfully. I have heard complaints from only one province—I am sorry to say, Ontario—and those from the point of view of creditors.

In British Columbia the Act got well under way only last spring, and April was an active month. In the course of its operations in the Sumas Valley cases arose where moneys were owing the Provincial Government. In this connection it should be kept in mind that in British Columbia the municipal organization is not nearly so complete as in other provinces, and the farmer is dealing direct with the Government. He has received advances for drainage, reclamation and road construction.

The officials in charge of the administration of the Act approached the provincial authorities and were promised fullest co-operation. When, however, the representatives of the province found its claims were affected they took injunction proceedings against the board of review and endeavoured to have the Act declared ultra vires. It is impracticable to administer the Act without the co-operation of the provincial authorities.

Hon. Mr. DANDURAND: I would suggest that the province has no role to play under our Act.

Right Hon. Mr. MEIGHEN: It is playing a role.

Hon. Mr. DANDURAND: As a creditor.

Right Hon. Mr. MEIGHEN: As an opponent, although in the first instance it welcomed the Act in general and promised to co-operate. The Government of Canada was faced with the possibility of having to fight a lawsuit on the validity of the legislation from the standpoint of our Constitution, all the way to the Privy Council. I cannot say that I have given any very useful study to the question whether or not the legislation is constitutional. It may be, or it may not. But I have always felt that it was. If the Government does nothing, and the legislation is declared invalid, the whole country loses the benefit of it, even though it is not only wanted, but, particularly on the Western plains, is vital, essential and imperative. The Administration was faced with the question what to do. It might have resisted the lawsuit, and perhaps have won; but if it had lost, not only British Columbia but the whole of Canada would have had to suffer the consequences. So the Government took the stand that the wisest thing to do was to except British Columbia from the provisions of the Act.

I have not read the Bill lately, but I believe it is to come into effect on proclamation of the Governor in Council. If British Columbia does not intend to proceed with its attack, it may still come under the provisions of the Act in the same way as any other province; but I do not know why it should be forced to do so against the will of its Government. We must assume that the Government of British Columbia speaks for that province. On this assumption, regard being had to the general interest of the Dominion and the vital nature of the Act to a tremendous body of our population, it is felt that this is the safest course to pursue.

Hon. J. H. KING: Honourable senators, I want to congratulate the right honourable the leader upon the fairness of his statement regarding the situation between the province of British Columbia and the Dominion with regard to this Bill. I want to say also that I think we in the Senate appreciate his efforts to make our status conform to our authority. When we had the Farmers' Creditors Arrangement Bill and the Farm Loan Bill before our committee this year, we were careful to see how far we could go in protecting the Dominion treasury against loss and in avoiding an invasion of the provincial field of taxation.

In discussing this question I am not going to repeat the arguments advanced in another place. It was represented there that the Provincial Government did resent—I think, properly so—the intimation that this Parliament can step in and take from it the right of taxation. That is the implication in this Bill.

Because the Government of British Columbia has raised an issue by reason of its revenues being affected, the Dominion Government says, by this amendment, "We will not give the ordinary debtors and creditors in British Columbia an opportunity to adjust their differences under the Farmers' Creditors Arrangement Act." The Bill excludes from the provisions of the Act, in which there are many good features, ordinary debtors and creditors who want to make an adjustment. I am not sure that that is wise.

As the right honourable the leader has said, the Act has been well received throughout the country; but there is no doubt that if those who administer it attempt to encroach upon the provincial or municipal rights of taxation the Dominion Government must fight in the courts. An item appearing in this morning's press goes to show that the Government, unless it is sure of its position, had better let this matter rest. Here we have the Municipal Council of the Township of Gloucester objecting.

Whereas the Farmers' Creditors Arrangement Act board has proposed in a number of local cases to cancel the penalty charges on taxes and to otherwise interfere with collections, be it resolved that this council protest further against such action and council herein denies the right of the board to interfere with tax collections.

Hon. Mr. DANDURAND: In what province is that?

Hon. Mr. KING: It is in the province of Ontario, is it not?

Hon. Mr. BALLANTYNE: Does my honourable friend regard the redeeming of a loan as a collection of taxes?

Hon. Mr. KING: The redeeming of a loan a collection of taxes?

Hon. Mr. BALLANTYNE: Yes. I understood the honourable gentleman to say that what the British Columbia Government objected to was interference with their taxation system. I was asking my honourable friend why he considers this a question of taxation.

Hon. Mr. KING: It is not a question of taxation. All that I want to say, and I think my honourable friend will realize the importance of it, is that the Act originally was intended to bring about an adjustment between individual debtors and creditors. Whether or not this Parliament has the right to pass such legislation I am not prepared to say, but we know that the province of British Columbia, through its Attorney-General, has gone to the courts and objected to the action taken by this Government.

Hon. Mr. GRIESBACH: What is the action?

Hon. Mr. KING: If the honourable gentleman reads, he will discover for himself. I am not going to review it.

Hon. Mr. GRIESBACH: I am speaking of the legislation itself. What does the legislation do in the matter of tax collection that is objectionable to the Government of British Columbia?

Hon. Mr. KING: The Government of British Columbia has from time to time advanced money in the form of loans to the farming community of that province. Then it has the right to taxes on farm lands. It is my understanding that there was a case in which a Provincial Government loan, or tax, was affected, and the Attorney-General of the province took exception—

Hon. Mr. GRIESBACH: You say "a loan."

Hon. Mr. KING: —and that is the reason why this Bill is being passed.

Hon. Mr. GRIESBACH: A loan, or taxation?

Hon. Mr. KING: Overdue taxes or a loan; either.

Hon. Mr. GRIESBACH: Surely there must be a difference between a loan made by the Provincial Government and a levy for taxes. In the case of a loan the Provincial Government is in the same position as an ordinary person lending money—

Hon. Mr. KING: Any Provincial Government that lends money represents the Crown, and is in the same position with respect to the loan as it would be in regard to taxation.

Hon. Mr. GRIESBACH: Oh, I see.

Hon. Mr. HORNER: What were the terms and the extent of the loans of the British Columbia Government to the farmers?

Hon. Mr. KING: I have not that information. I am merely trying to state a principle and to indicate to this Chamber the difficulties that the Dominion Government is going to have in trying to enforce legislation that is not within its purview. In the preface to my remarks I intimated that this Chamber was indebted to the leader of the House for his endeavours to keep us within our purview.

The province of British Columbia, through its Attorney-General, intimates that it is not satisfied that the Farmers' Creditors Arrangement Act should apply in connection with its loans. This being so, there is only one course open to the Government—to proceed to vindicate and justify itself in the courts. It should not withdraw and pass a special enactment that will exclude the ordinary debtor and creditor of British Columbia from the benefits of the Act. That is my point. I concede frankly that I am not prepared to go into it, but I say we have here an evidence of what is going to happen. My advice to the Government would be that if it is sure of its ground it should proceed in the courts of British Columbia and prove its case. That is all I have to say.

Hon. R. B. HORNER: Honourable senators, as far as the remarks of the honourable gentleman from Kootenay East (Hon. Mr. King) are concerned, I have heard some other honourable senators express the opinion that agreements arrived at voluntarily will not come before the courts. In my opinion the Farmers' Creditors Arrangement Act, apart altogether from the legal position of our provinces under it, has accomplished more good than any other Act we have had in the Dominion of Canada since Confederation. I shall take up the time of the Chamber just long enough to cite one or two cases that have come to my attention.

In one case three men bought a half section of raw prairie land for $33 an acre and sold it for $45 an acre without improving it in the slighest degree.

Hon. Mr. KING: That does not affect my argument at all. The honourable gentleman has missed the point.

Hon. Mr. HORNER: When I get through with my statement of what the Act has accomplished in relation to voluntary agreements, I shall deal with the argument.

The men who purchased the land at $45 an acre cut the bush off it, broke it up, built three residences, and dug three wells on it. Later, finding themselves in difficulties—they had bought under a half-crop agreement and had been charged eight per cent interest on overdue payments—they applied under the Farmers' Creditors Arrangement Act to be allowed to pay $1,200 instead of the $3,000 the vendors were asking. Finally, when the parties appeared before the adjustment board, the judge said to the vendors: "You bought this land at $33 an acre and sold it at $45 an acre, showing a profit on paper of about $4,000. How would you like to make an adjustment by cutting your claim down to $2,400 and charging interest on that amount?" The man who was doing the talking for the vendors said, "I have to consult my partners." "All right," said the judge, "take them outside and talk to them. We will go on with another case. Meanwhile I would recommend that you throw off $1,200 as of the date of purchase and accept $2,400 as profit, and reckon your interest on that." The three men went out, and half an hour later came back and said they would accept $2,500. The judge advised the purchasers to accept the offer, which they did, and the whole matter was settled to the entire satisfaction of both sides, although in the first place there had been a difference, including interest, of more than $3,000 between the amount claimed and the amount offered.

The night after the settlement was made I met the judge. I said to him: "Well, you have sat for six days at Blaine Lake, but if you have settled all the other differences as well as you have settled this one, it has been worth your while coming, because the seven men interested in this case all went home well satisfied."

I am not one of those who think that any man ought to be deprived of his rights as an individual, but I believe that in ninety per cent of cases the Farmers' Creditors Arrangement Act has worked to the entire satisfaction of all concerned.

Far be it from me to suggest that it might be politics that is influencing the province of British Columbia in opposing the working of the Act. So far as Saskatchewan is concerned, apart altogether from political views, which I am not considering, something of the kind was needed to bring debtors and creditors together, and the Act has accomplished this in my province. There is no doubt at all that before this Act was placed on the Statute Book any creditor could have gone to his fellow man and said, "This is more than you can pay." Like many others, I have done that. But this legislation gave the opportunity to more people to do that very thing. I think it has been one of the most helpful laws that we have ever had. I may be wrong, but I am suspicious of the action that the Government of British Columbia has taken. I regret it very much. That province is one in which I can imagine there were many cases of land having been sold for more than it was really worth. The Act provided machinery whereby the parties concerned could get together and come to an agreement for adjusting the indebtedness owing on parcels of land which had been sold for prices that are now impossible to pay.

In the province of Saskatchewan, contrary to what some people may have thought, the Farmers' Creditors Arrangement Act has not greatly injured life insurance companies, which are handling the funds of widows and others. So far as my personal acquaintance with the law goes, most of the adjustments have been between one farmer and another. I have sold land under agreements of sale, and in some cases I consider the price was too high. The adjustment in such cases merely means that paper profits are reduced. I think the Act is a wonderful piece of legislation, and in my opinion the action taken by the province of British Columbia is a very unwise one.

Hon. RAOUL DANDURAND: Honourable senators, my honourable friend from Saskatchewan North (Hon. Mr. Horner) has made a general defence of the Farmers' Creditors Arrangement Act, and I was pleased to hear him state the advantages that flow from it. But that is not the question now before us. The Act is not attacked. The sole issue here is the advisability of withdrawing the benefits and effects of the Farmers' Creditors Arrangement Act of 1934 from operation in the province of British Columbia. So there is no occasion for explaining the advantages of the legislation.

My only object in asking that second reading of this Bill be postponed until to-day was that I might obtain from my right honourable friend (Right Hon. Mr. Meighen) the reason why the measure was brought down. I listened very carefully to my right honourable friend's remarks and I found the sole reason was that when the Government of British Columbia attacked the Act in the courts the Dominion Government decided it would not defend the constitutionality of the law, the right of this Parliament to pass it, but would simply withdraw the operation of the law from that province. Well, it is a very important principle which we have to deal with. The proposed measure impairs the unity of federal legislation. We all know the arguments that were advanced against the use of the word "export" as applied to the shipment of goods from one province to another. This House agreed with the suggestion of my right honourable friend from Eganville (Right Hon. Mr. Graham) that commerce between provinces should not be described as export trade—that the unity of this country should not be weakened in the least. We are all in favour of that principle. Yet we are now facing this extraordinary situation, that a province—I care not what province it be—has challenged a federal Act passed last year, and the Dominion Government, instead of resisting that challenge before the courts, is running away, declaring it will end the operation of the Act in the province. I ask my right honourable friend what he will do if the Gloucester Township Council challenges the right of the Farmers' Creditors Arrangement Act board to affect amounts owing to that township.

Right Hon. Mr. MEIGHEN: What council?

Hon. Mr. DANDURAND: Gloucester Township Council.

Right Hon. Mr. MEIGHEN: Where?

Hon. Mr. DANDURAND: I do not know whether it is in New Brunswick or Ontario.

Hon. Mr. MacARTHUR: Ontario.

Hon. Mr. DANDURAND: I am told it is in Ontario. That council passed a resolution, which was referred to by my honourable friend from Kootenay East (Hon. Mr. King), and which reads as follows:

> Whereas the Farmers' Creditors Arrangement Act board has proposed in a number of local cases to cancel the penalty charges on taxes and to otherwise interfere with collections, be it resolved that this council protest further against such action and council herein denies the right of the board to interfere with tax collections.

Suppose this protest is followed by an injunction, will Parliament next session withdraw the operation of the Act from the province of Ontario?

Right Hon. Mr. MEIGHEN: We shall cross that bridge when we come to it.

Hon. Mr. DANDURAND: May I ask my right honourable friend what he will do if a province attacks any of the measures of social legislation which have been passed or are in process of being passed by this Parliament? Will he declare it is the policy of the Government to withdraw the operation of the law from the province which has made the attack? If there is a challenge of any federal Act by a provincial government or an individual—for an individual may protest before the courts—will the Dominion Government be justified in withdrawing the application of the law from the province in which the protest originates? And in the case of a general levy, if Ontario, for instance, challenged the right of the Dominion Government to impose the tax, would my right honourable friend justify the exemption of that province? Perhaps I am suggesting an extreme

case, for I suppose there would have to be uniformity in taxing legislation.

I feel that legislation passed by this Parliament for the whole Dominion must be generally applicable throughout the country, and I believe it is the duty of the Federal Government to defend its legislation before the courts. British Columbia has attacked the Farmers' Creditors Arrangement Act, and it may be attacked by other provinces. We knew we were upon somewhat delicate ground in dealing with the right of the King in the various provinces and the right of the King in the Dominion, when, some time ago, we were considering certain legislation, though the Dominion claimed it had the necessary power by virtue of eminent domain, and we passed the legislation.

It seems to me that it is a very serious step to withdraw the operation of an Act from a province simply because the Provincial Government institutes an action to challenge the Act. I ask my right honourable friend to stop for a moment and think what the result would be if the Farmers' Creditors Arrangement Act, which is attacked by British Columbia, were declared constitutional. If the courts do find the legislation to be constitutional, it could be operating in that province with all the advantages—and I think there are some—that flow from it. But this Bill will deprive the province of the benefits of the law. My right honourable friend knows that any piece of Dominion legislation may be attacked in any of the nine provinces. The Farmers' Creditors Arrangement Act itself may be opposed in a different province every year. Would my right honourable friend say that would justify the passing annually of a bill such as this with respect to a particular province, until the law was no longer in effect anywhere in the Dominion?

I believe that when my right honourable friend gives further consideration to the matter he will conclude that this Bill is not a desirable one. Therefore I hope he will permit the second reading to be postponed for a further twenty-four hours in order that he and his colleagues may ponder over the situation which would be created by the withdrawal of the operation of the Farmers' Creditors Arrangement Act from British Columbia. As I have said, the Federal Government may expect an assault upon its legislation from any quarter. In this case British Columbia is contesting the validity of one of our Acts, and the Government decides, without asking for a finding from the courts, that the Act shall no longer be in force in that province; and, I repeat, though the courts may find the legislation is constitutional, British Columbia will be deprived of its advantages. It may be vexatious to have to go from one court to another defending legislation, but governments have to do that at times. We have been represented before the Privy Council on many occasions. In many instances in connection with social legislation we have felt that opinion was not unanimous as to the constitutionality of our enactment, and we have had a reference to the Supreme Court before the law was put into force. This Act has been applied without any such reference having been made, yet my right honourable friend denies the right of any province or individual to contest it before the courts. I think we should be very careful before we adopt the principle involved in this Bill 114.

With respect to the Unemplomont Insurance Bill of this session, my right honourable friend has admitted that it may or may not be upheld if submitted to the tribunals, including the Privy Council. That implies he would not be very much surprised if it were tested one of these days. We must face the possibility of all legislation being opposed before the courts. Surely it will not be said that every time a Provincial Government opposes any of our legislation we shall be called upon to pass such a Bill as this one now before us.

Hon. W. A. GRIESBACH: Honourable senators, I should like to offer an observation in reply to the remarks of the honourable gentleman from Kootenay East (Hon. Mr. King). In the first place, not all the legislation passed by Parliament is of general application over the whole of Canada. The principle of unity of legislation does not always hold good. I recall that we have passed laws which do not become operative in any province unless that province is agreeable. The Lord's Day Act is an example.

Hon. Mr. DANDURAND: No proceedings can be instituted under the Lord's Day Act unless consent is given by the Attorney-General of the province.

Hon. Mr. GRIESBACH: The Farmers' Creditors Arrangement Act is emergency legislation, designed to confer benefits upon the people of the provinces, whose condition must of course vary because, largely, of the circumstances under which they live. This Act is a courageous and ingenious attempt to deal with a situation caused by the present depression.

As the honourable gentleman from Kootenay East (Hon. Mr. King) pointed out, the Government of British Columbia has lent

money to its people, and that Government objects to having those loans treated in the same way as loans made by companies and private individuals. The Government of British Columbia has the right to object. In the province of Alberta, which lies next door, we have had a system of lending under credit societies, but that province has not thought it well to follow the stand of British Columbia. The Government of Alberta has been agreeable to having itself considered along with other lenders of money and to taking the cuts that are awarded. We in that province might have objected, in the general interest of our people, but we did not. I say the Government of British Columbia has a perfect right to take the constitutional ground that this Parliament has no jurisdiction to interfere with respect to a debt due the Crown in right of the province. The Government of British Columbia has instituted legal proceedings to have the Act declared ultra vires. If it is possible to bring about a discontinuance of those proceedings by Parliament withdrawing the Act from that province, then I as a representative of another province am in favour of this being done so that the other provinces may not lose the benefit of the legislation. I do not expect it will be necessary for the Act to remain in force for ever, but I do hope it will continue long enough to serve its purpose in my province. British Columbia has had its opportunity. The Provincial Government has decided against its loans being treated in the same way as other loans, and has taken appropriate action by appealing to the courts. Very well; the Federal Government answers by withdrawing the Act from that province. This Government has taken the only step it could take. Therefore I shall support the Bill. If we can save the Act for another year I shall be fully satisfied.

Hon. Mr. HUGHES: I wish to ask a question of the honourable gentleman or of the right honourable leader of the House. Is this Bill intended to avoid retardation or imperilment of or tampering with the Farmers' Creditors Arrangement Act in the other provinces?

Hon. Mr. GRIESBACH: Yes. Attack is made on the Act as a whole. If the Privy Council decide the legislation is ultra vires, it will cease to operate in all the provinces. We are particularly anxious that the Act shall remain in effect, and we desire the Government to take all steps necessary to ensure its continued operation in the other provinces.

Hon. Mr. DANDURAND: What would happen if the British Columbia courts declared the Act unconstitutional?

Right Hon. Mr. MEIGHEN: That judgment would have effect only in British Columbia.

Hon. Mr. DANDURAND: Yes, but it would have its repercussion in the other provinces.

Right Hon. Mr. MEIGHEN: What repercussion?

Hon. Mr. DANDURAND: Suppose the Government of another province takes the same attitude as the Government of British Columbia. Would the Act be withdrawn from that other province also?

Right Hon. Mr. MEIGHEN: I do not think the other provinces will follow a bad example. I rather think the one that has objected would be glad to retract.

Hon. Mr. DANDURAND: I draw attention to the fact that the proposed Bill would come into effect on the day it received Royal Assent. My right honourable friend thought its operation was suspended to a later date.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. SINCLAIR: May I ask my right honourable friend to make this point clear? I understand from reading the discussion on the Bill in another place and from this discussion that the Government of British Columbia is objecting to interference with debts due by farmers in respect of taxes and of advances for drainage and other farm improvements. Does the Federal Government not feel that while it would not be wise to contest the validity of the Act on that point, the Act might still apply in regard to adjustments as between private creditors and debtors? Why should the Government withdraw the Act in regard to such adjustments?

Right Hon. Mr. MEIGHEN: The honourable gentleman is mistaken. The Provincial Government has asked the courts to declare the Act invalid in toto.

Hon. Mr. SINCLAIR: I did not understand that.

Right Hon. Mr. MEIGHEN: I have had time during the discussion to look into the history of the events which led up to this proposed legislation. I have said that the Act was in effective and widespread operation in May of this year. It went into operation in British Columbia in November. The Provincial Government had promised every co-

operation, and my information is that it co-operated up to a certain stage. I come now to that stage.

It appears that in the application of one Copeland in the Sumas Valley to come under the Act a decision was finally arrived at by the board of review. There was the usual variety of debts, including a debt due the Government of the province for arrears of taxes. I emphasize the fact that there was a debt for arrears of taxes. I submit to this House, though it is not very pertinent to the debate, that compromising of a debt for arrears of taxes is not interference with the right to tax. The Provincial Government can tax to its heart's content, and its taxation is not affected by the Act. But an effort was made to compromise on taxes that had become a debt. What happened? The board of review of British Columbia, in putting its imprimatur upon a settlement, decided that all interest and penalties due on this debt to the province should be written off; that the Government should get its taxes, but no interest nor penalties. Such is the extent of the sacrifice to be made by the province. Then the board of review provided for payment over a period of years by annual instalments of $469.34. As soon as this compromise was effected the Provincial Government instituted proceedings to have the courts declare that the entire Act was ultra vires of the Parliament of Canada.

Hon. Mr. KING: And you withdrew from the field.

Right Hon. Mr. MEIGHEN: Certainly, we withdrew. Is British Columbia complaining that we withdrew? I thought the province wanted what it asked for. Apparently all it wanted was a lawsuit.

Hon. Mr. KING: No; I think my right honourable friend is hardly fair. If he will read the correspondence between the Premier of British Columbia and the federal Minister of Finance he will find that the province contended it should make its own adjustments —as it was doing from time to time—with those who owed the province on loans and taxes. The Provincial Government also contended that it was not within the jurisdiction of the Dominion Government to interfere. That is the position of the province, and I think it is a fair position.

Right Hon. Mr. MEIGHEN: That is another way of putting it. The provincial authorities said: "We will not let this Act affect us. When a debt is due us we will decide what we will collect. We will not permit a board of review to make any adjustment. We will start a lawsuit and ask the courts to declare the Act ultra vires of the Parliament of Canada." This the Provincial Government proceeded to do. It secured an interim injunction in the courts of the province, restraining the operation of the Act. Why should the Provincial Government complain if it is allowed to have a Pyrrhic victory —if the "enemy," as the Provincial Government seeks to describe us, withdraws from the field? We said: "This is what you want. We will give it to you."

Hon. Mr. DANDURAND: I am not defending the action of British Columbia.

Right Hon. Mr. MEIGHEN: I do not think so.

Hon. Mr. DANDURAND: But I am asking my right honourable friend if similar action taken by any other province would bring about a similar result.

Right Hon. Mr. MEIGHEN: I understand the case requires to be argued on that ground too. Presuming the British Columbia Government has no justification for its action, has in fact committed an error, what is then our duty? I shall come to that in a minute. But if we assume, as we are really bound to assume, that the Government of British Columbia speaks for the province in matters affecting its sovereign power, as distinguished from the sovereign power of this Dominion—

Hon. Mr. KING: You will agree with that.

Right Hon. Mr. MEIGHEN: I think it does. I ask my honourable friend to note that point. The Government of British Columbia may differ from us in other matters and we may say, "We have authority to speak for the province as well as you have"; but when it comes to a question of what is the sovereign power of British Columbia as a province, as distinguished from our sovereign power as a federal state, are we not bound to assume that the Provincial Government speaks for British Columbia and knows what the province wants?

Hon. Mr. DANDURAND: But each provincial government can treat federal legislation in the same way.

Right Hon. Mr. MEIGHEN: I know British Columbia says: "We want that authority. We do not want you to exercise it."

Hon. Mr. KING: Oh, no. British Columbia says: "We have the authority to collect our

taxes, and you cannot come in and reduce them." That is all the province says.

Right Hon. Mr. MEIGHEN: Let me read the writ issued by British Columbia. This is a paragraph of the claim made by the province, a claim so far granted by the courts:

That the defendants, purporting to act as a board of review for the Province of British Columbia under the provisions of the Farmers' Creditors Arrangement Act, being chapter 53 of the Statutes of Canada, 1934, and amending Acts and the rules and regulations passed thereunder, are acting without lawful authority, as the said Act is ultra vires of the Parliament of Canada.

That is a terrible responsibility to take.

Hon. Mr. DANDURAND: But if Ontario takes the same attitude what will the Government do?

Right Hon. Mr. MEIGHEN: We shall decide what to do when we get there. But we are not eager to go into British Columbia against the will of the province in respect of bankruptcy proceedings; not at all. It may be we shall have to with respect to other laws in order to make those laws effective elsewhere. British Columbia says, as in this writ: "We want to occupy this ground, we want to perform this service. You get off the carpet; you are ultra vires." Surely, then, British Columbia cannot complain if we do get off. We are not at all impairing our power to enforce the Act elsewhere. It is just as effective in the other provinces as it ever was. We are only doing what British Columbia asks us to do, not a whit more.

Now, suppose we have gone too far in our argument. Let us assume that instead of saying the Government of British Columbia may injure its own province in this manner, we ought to declare that in a field which we believe to be within our jurisdiction we should do what we think is right, no matter what British Columbia wants. I find it hard to state such a case, because I do not think it is sound. The British Columbia Government must speak for British Columbia on these matters, and if we can exercise what we think is our jurisdiction elsewhere and keep out of British Columbia we ought to do it; and we are doing it. But on the assumption I have stated, aside altogether from the question of letting the British Columbia Government speak for the province, would the Dominion Government be acting in the interest, say, of all Canada in entering into litigation on the subject of the Farmers' Creditors Arrangement Act? Should the Parliament of Canada imperil this Act by carrying the case to the Privy Council?

Hon. Mr. HUGHES: It is a very important one.

Right Hon. Mr. MEIGHEN: It is. The other provinces have said: "We are quite ready for the Act; we want it. We are not going to dispute your jurisdiction." Have we the right to ignore the other provinces in that reasonable request? I do not think we have. No one imagines that British Columbia is the only province with loans which may be compromised under this Act. I think Ontario has $45,000,000 worth of loans; and Ontario is submitting to the measure. All those loans are owed by borrowers in distress and come under the purview of the Act. In Alberta it is the same. In Manitoba there are all classes of debts owing the province. There are arrears of taxes galore in every province.

The honourable member from Queen's said—

Hon. Mr. SINCLAIR: In the form of a question.

Right Hon. Mr. MEIGHEN: Yes—if all British Columbia is asking is that the Act operate in the province, but not in respect of debts owed the province, should we not make that concession? Well, I do not know how we can treat British Columbia differently from the other provinces. Should we not have to do the same everywhere?

Hon. Mr. KING: I think you will have to.

Right Hon. Mr. MEIGHEN: Not at all. The other provinces realize that in bankruptcy, so far as security and priority are concerned, all creditors must stand in the position that they are in under the law of the province.

Hon. Mr. SINCLAIR: And so with British Columbia.

Right Hon. Mr. MEIGHEN: Yes. The direction to the board of review is to effect settlements on that very principle. Now, how are you going to allow the province to step out? Let us assume the province to say: "This is all we want. Do not apply the Act to our debts; apply it only to debts between private creditors and debtors." Then can we with a straight face say that we are acting in bankruptcy and yet consider the subject-matter of our legislation with reference only to certain classes of debts? Acting in bankruptcy, you have to go ahead and settle all debts. You have to do so in every other sphere of bankruptcy. Why not in the case of farmers? If we claim to be acting on the basis of our jurisdiction in insolvency, we have to carry it right through. We can-

not make exceptions, because if we do we are off the bankruptcy footing altogether. I ask the honourable member to consider that.

But, first and foremost, this is the situation. It is not a matter of pique and spite. I speak for the Government when I say that should any other provincial government, whatever its political colour, take similar action, our course would be exactly the same. We do not want to imperil the statute. The service under the statute is essential to-day all over the agricultural domain of this country. When British Columbia demands a certain thing before the courts, we say: "All right, British Columbia, you shall have your request. In doing this we accede to your wishes; so you cannot complain. In doing this we also preserve for the rest of Canada an Act which undoubtedly the rest of Canada does not want imperilled in the slightest degree by any process of litigation."

I should add this. I read in the press that a clause had been added for the Bill not to come into effect until proclamation, so that possibly the Government of British Columbia might see the error of its ways and some result might come from the locus pœnitentiæ. I am prepared to submit the Bill to the committee to find out whether it would not be possible to add such a clause. I fancy it will be if the Government has any means of knowing that British Columbia wants it done.

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

RADIO BROADCASTING BILL

MESSAGE FROM COMMONS REFERRED TO COMMITTEE

The Senate proceeded to consider a message from the House of Commons disagreeing with the amendment made by the Senate to Bill 99, an Act respecting Radio Broadcasting.

Right Hon. Mr. MEIGHEN: Honourable members, it is important that the House have on record and that those present understand the history of the subject covered by this message.

In 1932 Parliament passed the Radio Broadcasting Act, which was permanent in its application. In the session of 1932-33 an amending Act was passed which repealed three important sections of the parent Act and replaced them with new ones, and which also contained a clause stating: "This Act shall expire on the 30th day of April, 1934."

Hon. Mr. ASELTINE: The amending Act?

Right Hon. Mr. MEIGHEN: "This Act." That is the amending Act.

A careful study of the situation by anyone, be he a lawyer or not, will disclose the result. Clause 1 repealed one section and substituted another; clause 2 did likewise, as did also clause 4. Immediately the Bill was assented to, three sections were repealed, and stood repealed for ever, or until Parliament should do something to revive them. The substituted sections remained. The clause at the end, which said, "This Act shall expire on the 30th of April, 1934," was a complete futility: its force was spent immediately upon the Bill being assented to.

Then in 1934, before this so-called expiry date, Parliament re-enacted the amending statute and changed "1934" to "1935." That re-enactment may be dismissed in one sentence: the amending Act had already done its work permanently; re-enacting it did nothing at all. The expiry clause was a futility from the beginning, and amending the futility accomplished nothing whatever.

Again, before the arrival of the so-called second expiry date, the 30th of April of this year, another Bill was passed re-enacting the amending statute once more, and changing the expiry date to the 30th of June of this year. That re-enactment also was a complete futility. It re-enacted what was already done, and done permanently; it amended an expiry clause that was futility from the start.

We now come to the Bill dealt with by the message, Bill 99, which sought to do the same thing over again, and to alter the expiry date to the 31st of March, 1936. Well, of course, for the reasons I have already given, it was a futility in every sense.

This was called to my attention. The person who called it to my attention, Mr. O'Connor, had previously had a responsibility which was not general, but applied just in respect of certain bills. He said that what Parliament must have intended to declare by the first amending Bill was that the said Act—that is, the parent Act—expired on the 30th of April, 1934, because that was the only way in which the amendment could have any meaning. Hastily, the work of the session being somewhat multifarious, I agreed with him. I think if I had been able to make a closer study of the Bill I should have been able to see what was intended. But, as I have explained to the House on two occasions, it was very reasonable to assume that a mistake had been made in saying "This Act" instead of "The said

Act." Consequently we amended the Bill to extend the operation of the parent Act until the 31st of March, 1936.

When the Bill went to the House of Commons with our amendment the Prime Minister took objection on the ground that what was intended, first of all, was that the amending Act, and therefore the amendments, as he believed, should die, on the 30th of April, 1934, then on the 30th of April, 1935, then on the 30th of June, 1935, and then, by virtue of this Bill, on the 31st of March, 1936; and the Bill was sent back to this House with an insistence that it be passed in the form in which it left the House of Commons.

The message sending the Bill back did not reach this House, for the reason that I was able to discuss the matter with the Prime Minister and the Minister of Justice, who came to the conclusion that an error had been made from the beginning; that while Mr. O'Connor's interpretation of the effect of the bills was correct, he had misapprehended their purpose, and consequently the Senate amendment had not effected what was intended. Therefore this message comes, telling us what really was intended, and it is now possible for this House to effectuate that intention, to which I know nobody will object.

It will be necessary to declare that on and after the 31st of March, 1936, the Radio Broadcasting Act, as assented to on a certain date, shall have the same effect as if the various amendments had never been passed.

Hon. Mr. DANDURAND: And will remain permanent.

Right Hon. Mr. MEIGHEN: We do not need to say that.

Hon. Mr. DANDURAND: That will be the effect of it.

Right Hon. Mr. MEIGHEN: The effect will be that it will remain permanent. So it will become our duty on reference to the appropriate committee to frame an amendment to bring about that result. I have such an amendment prepared.

Hon. Mr. DANDURAND: Would my right honourable friend allow me to put this question? If it was intended that the amendment alone, made in 1932 or 1934—I do not remember which—was to be continued temporarily, does that imply that the Bill which amended the two parts of the Act—

Right Hon. Mr. MEIGHEN: Three.

Hon. Mr. DANDURAND: —was also temporary?

Right Hon. Mr. MEIGHEN: I do not know that I get my honourable friend's point. If it had been intended that the first amending Act should have temporary effect as respects the three sections upon which it operated, the way to accomplish the intention would have been to declare that sections so and so should be deemed to be repealed and others deemed to be substituted therefor; not that the sections were repealed and others substituted, because provisions that are repealed are ended. Then, if it had been said at the close "This Act shall expire" at such and such a date, the deeming would have expired at that date and the old sections would have been restored.

Hon. Mr. DANDURAND: That is a complete answer to my question.

Right Hon. Mr. MEIGHEN: I move that the message be referred to the Committee on Banking and Commerce.

The motion was agreed to.

ADJOURNMENT—BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: I move that the House adjourn. The Banking and Commerce Committee will meet immediately. I do not know how we are going to get all our work done.

Hon. Mr. MURDOCK: May I ask what is the status of Bill 21?

Right Hon. Mr. MEIGHEN: We have not had any communication from the House of Commons in answer to our message insisting upon our amendment to that Bill.

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

THE SENATE

Thursday, July 4, 1935.

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

Prayers and routine proceedings.

NATURAL PRODUCTS MARKETING BILL

THIRD READING

Bill 117, an Act to amend the Natural Products Marketing Act, 1934.--Right Hon. Mr. Meighen.

FARMERS' CREDITORS ARRANGEMENT BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on Bill 114, an Act relating to the application of the Farmers' Creditors Arrangement Act, 1934, in the Province of British Columbia.

Right Hon. Mr. MEIGHEN: There are some changes of order and verbiage, which we think improve the measure, but the main change makes the Bill effective on proclamation by the Governor in Council. This gives the Government of British Columbia an opportunity to determine what course it chooses to pursue.

Han. Mr. DANDURAND: And perhaps it gives the central Government the advantage of a second sober thought.

Right Hon. Mr. MEIGHEN: No; the Federal Government is not given by the Bill any chance to change its mind at all. It has not asked for such a chance.

Right Hon. Mr. GRAHAM: It has not had a first sober thought yet.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

RADIO BROADCASTING BILL

REPORT OF COMMITTEE ON MESSAGE FROM COMMONS

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on a message from the House of Commons disagreeing with the amendment made by the Senate to Bill 99, an Act respecting Radio Broadcasting.

Right Hon. Mr. MEIGHEN: Honourable members, the action now recommended by the committee is what was foreshadowed yesterday. The whole background and history of this matter have been reviewed, and no repetition is needed.

Upon being satisfied as to what was the actual intention of the other House, such being presumably the intention of the Government, this House took no exception at all to the course which had been determined upon. If on this or any other occasion it felt there were adequate reasons for disagreement with the policy which the other House had embodied in a Bill, though such Bill had Government sanction, the Senate would not hesitate to resist and reject, or amend as it saw fit, any such measure.

There are circumstances surrounding this matter which I think make it my duty to say that the powers and prerogatives of the Senate respecting amendment or rejection of any measure which comes to it from the other House, except possibly a measure having to do with the raising of taxes, are ample and complete, and are not at all affected by the fact that the measure embodies a policy of the House of Commons or the Government. That principle is implicit in our Constitution. With possibly the exception mentioned, the powers of this body are independent of, co-ordinate with, and in every respect equal to those of the other Chamber.

Hon. Mr. DANDURAND: I feel that it is necessary to say but a word. I believe the right honourable gentleman voices the view of the Senate of to-day as well as the Senate of the past. The position of this Chamber was well laid down in a resolution it passed unanimously, which emanated from a committee presided over by the late Senator W. B. Ross, of Halifax.

The motion was agreed to.

MESSAGE TO COMMONS

Right Hon. Mr. MEIGHEN: I move:

That a message be sent to the House of Commons to return Bill 99, an Act respecting Radio Broadcasting, and to acquaint that House that the Senate do not insist on their previous amendment, but have substituted another amendment in lieu thereof, to which they desire their concurrence.

Hon. Mr. PARENT: May I ask the right honourable gentleman whether a conference has been held between the two Houses with respect to the amendment?

Right Hon. Mr. MEIGHEN: No. We have not reached the point where a conference would be necessary because of disagreement, nor do I anticipate that we shall. The Senate, having ascertained the Administration's intention, which was in no way given effect to in the Bill as sent to us, has no exception to take to that intention, and complies therewith.

The motion was agreed to.

DOMINION TRADE AND INDUSTRY COMMISSION BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on Bill 86, an Act to establish a Dominion Trade and Industry Commission.

Right Hon. Mr. MEIGHEN: Honourable members, the measure which is now reported from committee is one of far-reaching consequence. The committee would have preferred, had it been possible, to give not a few hours, but days to a critical and thoroughgoing review of every clause and every principle embodied in the Bill. I am not finding fault because the measure has come to us at this time. We have not been unoccupied during the previous weeks of the session; and I know it is practically impossible for any Government to have its legislation sufficiently advanced to prevent some crowding at the end of the session. These things are beyond the control of the Government; they depend entirely upon the play of various forces, largely in the other House.

However, the committee has within the limited time available studied the Bill as carefully as possible, and a lengthy series of amendments, twenty-two in all, have been made. They are not of a quality to do what is sometimes casually and often stupidly described as emasculating the measure. They are designed to make it practicable and less vulnerable to attack upon its constitutionality. Some of them are more or less improvements, or believed to be improvements, in verbiage. The more important ones I will now refer to.

The Bill provides that in the case of agreements as regards dealing with commodities approval may be applied for, and it may be given to agreements which appeal to the Commission as being fair and reasonable and not against the public interest. Always in the history of our law it has been recognized that agreements may exist, but if they operate against the public interest they are banned by law and their authors are punishable. What the Bill does, which was not done before, is to permit of an imprimatur, a sort of sanction, being given to agreements by this Commission, after investigation, and to provide that thereafter the essence of the agreements shall be published. We provide that such may be done in relation to an existing as well as a contemplated agreement. I do not doubt it was intended so to provide, but the original Bill said applicants had to establish that there was a state of demoralization in the industry by reason of the absence of an agreement. That could be established only where there was no agreement; therefore no existing agreement could enjoy the benefit of the Bill. In making this important extension we carry out what we think must certainly have been the intention of the draftsman. No one can be compelled to get the sanction of the Commission, but anyone who does not get it is liable at any time to penalty under the Combines Investigation Act should it be shown that his agreement or arrangement is against the public interest.

The Bill provides for the appointment of a Director of Public Prosecutions. We have continued this feature of the measure, though with some misgivings. The committee was desirous, not that there should be no such Director, but that he should not be given a kind of distinct, separate and novel rank or dignity, which, because of the psychological effect of the statute, would likely lead to the establishment of a new Department of Justice. All things considered, it was felt advisable to retain the position, but provision was inserted to insure that he, like all other factors in the administration of justice, should be an element, a feature, a part of the Department of Justice itself. His powers and duties are fully defined in the Bill.

Provision is contained in the measure for a Canada Standard, something new in our law. It does not say that any public authority authorizes the imprinting of "Canada Standard," or the initials "C.S.," on any article produced; it states that anyone producing goods of a certain standard may use the brand or mark, but if he uses it on any article which does not come up to the standard he will be liable to prosecution. It is hoped that the term "Canada Standard" will become universally understood, and that it will be the objective of producers in this country to have their goods of such a quality as to be eligible for this mark. By way of amendment to the provisions as regards marking of different classes of articles, we provide that exceptions may be made by the Commision where such marking is impossible.

Now I come to one of the outstanding features of the measure. The Commission receives complaints respecting unfair practices in trade and may investigate the same. Then after investigation—I am now referring to the Bill in its amended form as it comes from the committee—the Commission,

(a) if of opinion that the practice complained of constitutes an offence against any Dominion law prohibiting unfair trade practices—

—and there are, I should say, about fifteen such laws—

—may order and require all persons who are parties or privies to such offence to cease and desist from further continuation of such practices.

This is the first remedy. It is a new one, and has been put in by the Committee on Banking and Commerce. There seems to be no doubt as to the powers of this Parliament to enable the Commission to issue such an order, which is felt to be a logical preliminary to more drastic action to be taken later on if in a proper case the order is not obeyed.

What else may the Commission do if it is of opinion that the practice complained of constitutes an offence? The Commission,

(b) if of opinion as aforesaid may communicate the complaint, and such evidence, if any, in support thereof as is in the possession of the Commission, to the Attorney-General of Canada with a recommendation that such parties or privies to such offence be prosecuted for violation of the applicable Act. The Attorney-General of Canada, if he concurs in such recommendation, may refer it, with the complaint and evidence, if any, either to the Director of Public Prosecutions or to the Attorney-General of the province within which the offence is alleged to have been committed, for such action as may seem to be appropriate in the circumstances.

The amendments following are of the nature of improvements in the phraseology, but I come to another of considerable consequence. Turning our minds for the moment to the Criminal Code, we find that section 498 of the Code is analogous to the penalizing and offence-creating section of the Combines Investigation Act, which is the section dealing with combines antipathetic to the public interest and providing punishment for them. In the Bill to amend the Criminal Code, which will be reported to this House shortly, a section is added as 498 A. This creates a new series of offences. The first is an offence committed by the act of arbitrarily charging different prices to business competitors purchasing a like quality and quantity of goods. Secondly, it makes it an offence to adopt, for the sake of eliminating competition, a policy of lowering prices and of charging different prices in different sections of the country. As honourable members will realize, the conception of criminality as attached to conduct of this kind is distinctly a new conception. Such conduct has hitherto been regarded—if not universally, all but universally—as of the very essence of business. But the Price Spreads Commission, from evidence given before it, was convinced that real evils resulted from the freedom of business people in this respect. Instances were brought to the surface which impelled the Commission to report in favour of some such provision as is contained in this new clause in the Criminal Code. The Senate committee did not alter at all the phraseology of subsection 498 A, in dealing with the amendments to the Code. But the committee felt that since we are now to have a judicial body supervising, controlling, enforcing the law with respect to all matters of fair trade practices, it was only right and sound that there should be no prosecution under this new subsection of the Code except with the written consent of this judicial body, that is, the Dominion Trade and Industry Commission. Such a safeguard appeared to the committee to be essential; and I am grateful to those who opposed the measure to the extent of bringing the committee to realize that that safeguard had to be inserted. It ought to be accepted, and I think it will be. I should dread the consequences if it were not.

This pretty well covers the amendments. I feel I can assure the House that there is nothing of importance I have not reviewed.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

CRIMINAL CODE BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on Bill 73, an Act to amend the Criminal Code.

He said: Honourable senators, I hope my grandchildren or their children will not hold it against me when they find my name attached to this legislation.

Right Hon. Mr. MEIGHEN: Honourable senators, this is the measure to which I referred when on my feet a moment ago. The same remarks apply to the committee's consideration of this Bill as were addressed to the House with respect to the last measure. The importance and perhaps the drastic character of the amendments to the Code were such that we certainly should have liked to examine them and hear representations over a more extended period. Had that been possible we should feel more confident of the report now being made. Nevertheless, the Bill certainly has not been sketchily or hastily dealt with.

I do not know that I can exactly interpret some amendments with regard to race meets, but my understanding is that they impose the same restrictions as to time and number of days in the year during which trotting and pacing meets may be held as are now imposed in the case of running meets, and they give similar rights.

The next amendment is an attempt to define and prohibit the new so-called chain letter scheme of getting rich quickly. I believe "chain letter scheme" is not a correct appellation to apply. It is not easy to say just what is the essence that makes this scheme an offence, but if honourable members will read the amendment they will appreciate its purpose.

Another very important feature of the measure creates several new offences. It is designed to help the enforcement of the minimum wage law and the hours of work law. The committee found it necessary to make some amendments. The first offence will now be described as follows:

(a) employs a person at a rate of wage less than the minimum wage rate fixed by any law of Canada.

It read originally, "fixed by law or any competent authority." I do not know there is much difference in effect between the two forms, but the amended wording is better. It will be recalled that where we ourselves fix a minimum wage rate we say that if the minimum wage rate fixed by provincial law is greater, then it shall be the minimum rate: so we make it a Dominion law. This amendment does not, so far as I can see, change the effect, but I think it is wise not to leave ourselves in the position of creating penalties applicable to a provincial statute. If we can make our statute a sort of re-enactment of the provincial statute, all right, but while the law remains provincial we are not on very safe ground from a constitutional standpoint if we seek to attach penalties. Futhermore, I do not think we are on very sensible ground. The British North America Act gives the provinces power to deal with these matters and create offences with respect to them. If the provinces have done so, is it right that we should come along and say, "You have created the offences, but you do not know how to provide penalties, and we are going to show you"? That is the reason why this paragraph is amended.

The other offences are described as follows:

(b) falsifies any employment record with intent to deceive;

(c) punches any time clock with intent to deceive;

(d) puts the wages of more than one employee in the same envelope with intent to evade the provisions of any law of Canada;

(e) employs any child or minor person contrary to any law of Canada.

We know the law of Canada covers these matters, and we feel we should confine ourselves to enforcing our own law. We have left out there two clauses of the original Bill.

Hon. Mr. HORSEY: Three.

Right Hon. Mr. MEIGHEN: I will give the two. Then if there is another I should like to be reminded.

The first clause made it a crime to permit any person to work beyond the time stated in any law in this country, and imposed a penalty of $5,000. It is one thing to say, "You must not deliberately employ a person at less than the minimum wage rate." An employer can avoid that, and he can be expected to avoid it and to know he will incur a heavy penalty if he does not. But I do not know how the most righteous man on earth could himself prevent a person from working overtime. Suppose a fellow is fired for some good reason, but before the time comes for him to leave he deliberately works overtime: why, he can very quickly, and with terrible results, get back at the man who fired him. So it was felt it would be most dangerous legislation, and legislation that the best of citizens could not possibly live up to.

The other clause was left out on purely constitutional grounds. It was an offence to

make any deduction from any employee's wages for any purpose not warranted by law unless such deduction has been approved first by a competent public authority.

There, if anywhere, you are definitely on the ground of civil rights. Suppose a factory has a rule that if an employee causes damage he must make it good, and suppose the factory management frankly lives up to that rule and deducts the amount of damage from the pay; then by this paragraph we should be saying, "You have no right to do that." The province can say it. But where is there anything within the limits of our power to enable us to say it? I do not know where there is. We considered that was distinctly a matter of civil rights.

The Bill also contained an omnibus paragraph.

Hon. Mr. HORSEY: Yes.

Right Hon. Mr. MEIGHEN: In this form:

does any other similar act contrary to law or the rules or regulations of any competent public authority.

Anything you might do, if not authorized by "any competent public authority," would render you liable to a penalty of $5,000. Well, it is all right to be marching along the road of reform, to be living up to the perhaps evanescent psychology of the day, but it is still wiser to keep looking around to see that you are basing your conduct on the immortal ground of common sense.

Some Hon. SENATORS: Hear, hear.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

CANADIAN FISHERMAN'S LOAN BILL

FIRST READING

A message was received from the House of Commons with Bill 120, an Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Fishermen.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: I have read this Bill pretty carefully. It seems to be more along the lines of the Farm Loan Act of 1927 than of the present Act.

The Bill provides for a board similar to the Farm Loan Board, and empowers it to raise funds by issue of capital stock up to $300,000. Loans are to be made on the security of first mortgage of the fisherman's land and any collateral which the board may choose to accept. For the first three years the loan does not bear interest. Fishermen appear to be a preferred class.

Right Hon. Mr. GRAHAM: Maritime rights.

Right Hon. Mr. MEIGHEN: Yes. The Bill contains appropriate provisions against imposition by provincial authorities of prior charges, and for repayment of loans. The Governor in Council is given control over the issue price of bonds, but the principle the board has to follow is to fix the purchase price at such a figure that the bonds will sell to the public at par. Under the provisions of the Bill trust companies, loan companies and insurance companies may purchase these bonds. I think they might well do so, as they are virtually Government bonds.

Right Hon. Mr. GRAHAM: That would not refer to the provinces.

Right Hon. Mr. MEIGHEN: No, but the board may invest its funds in the securities of the Dominion or of any province.

I may say I am very glad indeed that this provision is being made for the fishermen. It has always been a very difficult matter to meet their peculiar necessities, by reason of the absence in their case of special securities such as the farmer must possess. I am sure that if the money is carefully loaned no one will begrudge the fishermen the three years' freedom from interest.

Hon. Mr. MacARTHUR: May I ask the right honourable gentleman whether collateral other than real property is accepted?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. MacARTHUR: The majority of fishermen have very little real property.

Right Hon. Mr. MEIGHEN: Other property may be accepted.

Hon. Mr. DANDURAND: I shall not attempt to follow my right honourable friend in discussing this Bill, which I confess I have not read; but, as it will go to the Committee on Banking and Commerce—

Right Hon. Mr. MEIGHEN: Yes, the nine pages of the measure.

Hon. Mr. DANDURAND: —I shall reserve my criticism.

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

JOINT ADDRESS TO HIS EXCELLENCY THE GOVERNOR GENERAL

A message was received from the House of Commons reading as follows:

That this House has passed an Address to His Excellency the Governor General on the occasion of the approaching termination of His Excellency's official connection with this country, and requests that Their Honours unite with this House in said Address, hereto attached.

To His Excellency the Right Honourable the Earl of Bessborough, a Member of His Majesty's Most Honourable Privy Council, Knight Grand Cross of The Most Distinguished Order of Saint Michael and Saint George, Governor General and Commander-in-Chief of the Dominion of Canada.

May it please Your Excellency:

We, His Majesty's dutiful and loyal subjects, the .....Commons of Canada in Parliament assembled, assure Your Excellency of our deep and sincere regret at the approaching termination of your official connection with our country as the representative of His Gracious Majesty. At the same time we hasten to add the hope that this official termination will not mean the severance of those ties which have so happily been established between Your Excellency and our country and its people.

During your term of office Your Excellency has never spared yourself in your efforts to secure accurate and intimate knowledge of all parts of our Dominion. You have, accordingly, gained an understanding of our problems and our possibilities, as profound as it has been sympathetic. Your assiduous devotion to the affairs of State, and your deep and human interest in the widespread activities of our people have won for you the warm regard of all Canadians. Your encouragement of dramatic art, an important but often neglected aspect of our national development, will be felt for long years to come.

Your Excellency has been with us during a period of world-wide economic depression and social strain. You have seen the effects of that depression on our national economy. You have, however, also seen its failure to destroy our national morale. Amidst the tribulations of economic distress, as in the stern test of war, Canada has stood firm, and, with renewed courage and determination, is ready again to continue her forward march.

Our expression of regret at Your Excellency's departure would, indeed, be incomplete if we did not associate in that regret Her Excellency, the Countess of Bessborough, whose graciousness and charm have won for her an affection throughout Canada which is both deep and widespread.

We beg that on your return to your homeland Your Excellency will convey to His Majesty the assurance of Canada's steadfast loyalty to the Crown and devotion to his throne and person, so strikingly demonstrated in the recent and unforgettable celebrations attendant upon His Majesty's Silver Jubilee.

Right Hon. ARTHUR MEIGHEN moved:

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

He said: Honourable members—

Hon. Mr. LACASSE: Honourable members, of course I do not wish to discuss the message just read by His Honour the Speaker, but I am interested in knowing whether the Address will be delivered in both English and French.

Right Hon. Mr. MEIGHEN: That goes without saying.

Hon. Mr. LACASSE: And without reading.

Right Hon. Mr. MEIGHEN: I think that the Senate Debates should show the Address in both languages.

The Hon. the SPEAKER: I have the French version here.

A Son Excellence, le Très Honorable Comte de Bessborough, membre du Très Honorable Conseil privé de Sa Majesté, Chevalier Grand'-Croix de l'Ordre très distingué de Saint-Michel et de Saint-Georges, Gouverneur général et Commandant en chef du Dominion du Canada.

Qu'il Plaise à Votre Excellence:

Nous, sujets loyaux et soumis de Sa Majesté . . . . . la Chambre des communes du Canada réunie en Parlement, assurons Votre Excellence de notre profond et sincère regret à l'occasion de la fin prochaine de vos relations officielles avec notre pays en qualité de représentant de Sa Gracieuse Majesté. Nous nous hâtons d'ajouter en même temps que nous espérons que cette séparation officielle n'aura pas pour résultat la rupture des liens si heureusement liés entre Votre Excellence et notre pays et son peuple.

Excellence, durant votre terme d'office, vous n'avez jamais épargné vos efforts pour obtenir une connaissance exacte et intime de toutes les parties de notre Dominion. Vous avez acquis, en conséquence, une compréhension aussi profonde que sympathique de nos problèmes et de nos ressources. Votre application assidue aux affaires d'état, l'intérêt humain et profond que vous avez manifesté pour les vastes entreprises de notre peuple, vous ont conquis la chaude affection de tous les Canadiens. Vos encouragements à l'art dramatique, cet élément important mais si souvent négligé de notre progrès national, produiront leurs effets durant de longues années.

Votre Excellence a résidé parmi nous durant une période de dépression économique mondiale et de tension sociale. Vous avez été témoin des effets de cette dépression sur notre régime économique. Cependant, vous avez vu son impuissance à détruire le moral de la nation. Parmi les difficultés de la misère économique, de même que durant l'épreuve sévère de la guerre, le Canada est resté ferme, et il est toujours prêt à continuer sa marche en avant avec une volonté et un courage nouveaux.

Nos expressions de regret pour le départ de Votre Excellence seraient incomplètes en vérité, si ce regret ne s'étendait pas jusqu'à Son Excellence, la Comtesse de Bessborough, dont la grâce et le charme lui ont conquis dans tout le Canada une affection qui est en même temps profonde et générale.

Nous demandons, Excellence, qu'à votre arrivée dans votre patrie, vous transmettiez à Sa Majesté l'assurance de la ferme loyauté du Canada à la Couronne, de son affection pour le Trône et le Roi, affection dont il a donné une preuve frappante lors des fêtes récentes et inoubliables qui ont accompagné le Jubilé d'argent de Sa Majesté.

Right Hon. Mr. MEIGHEN: The message which this House has just received from the House of Commons contains a request that we unite with that House in an Address, which has just been read by His Honour the Speaker, to the retiring Governor General of our country, His Excellency the Earl of Bessborough. I am sure this House will meet

that request with an enthusiastic and unanimous affirmative.

During the seventy odd years of her history Canada has been fortunate in the men assigned to act in the exalted and responsible capacity of Governor General of this Dominion. Though for many years such assignments were made on the recommendation of His Majesty's immediate advisers, in accordance with the British tradition, that has not necessarily meant assignments without the concurrence or without the actual suggestion of His Majesty's advisers in Canada. That the consequence of the practice which has grown up has been so fortunate for our country is indeed a matter of congratulation. We have been more than usually fortunate in the men who, one after the other, through all the long years, have served our country, and who, in so doing, have fallen in line with our Constitution. Among their numbers Earl Bessborough takes a prominent place in the estimation of Canadians of all creeds and classes.

Earl Bessborough comes of a family which has been associated in a distinguished way with the traditions and achievements of Great Britain. If one studies the disposition of the armed forces of Britain in the great conflicts of the past, and reads the names of the captains who have led those forces in the field and on the sea, one will find mentioned in connection with more than one great occasion the name of Ponsonby. And here I think it is not inappropriate to say, and I say it with very keen pleasure, that there is found also in places of note frequent and illustrious mention of the name of Byng.

Lord Bessborough has been our Governor General for a space of five years—years of great stress and anxiety, when, necessarily, our people were centering their minds upon practical matters and endeavouring to wrestle with and solve baffling and oppressive problems. They have been years when less attention and less energy have been devoted to affairs of ceremony than to great subjects of policy and historic importance. Under these conditions the office of Governor General may not have been as pleasant as it would have been had conditions been different, but throughout his term the Governor General has devoted every thought to the performance of his task. He has trod carefully, though confidently, and above all usefully, the path of duty as laid down for him by the Constitution of our land. Never has he deviated from that path. He will be able on returning to his native land to say to his Sovereign that he has done his part.

In this great work His Excellency the Governor General has been ably seconded, always with grace and dignity, by the Countess of Bessborough, and I am sure all will enthusiastically concur in the reference in the Address to the universal appreciation of the grace and charm which have characterized the Countess of Bessborough in the discharge of her exalted task.

Some Hon. SENATORS: Hear, hear.

Hon. RAOUL DANDURAND: Honourable senators, I have listened with interest to the message of the House of Commons, just read by His Honour the Speaker, and have followed the remarks of my right honourable friend in relation to it.

I may say that by reason of my home being at a distance, and of my appearing here simply to attend the sessions of the Senate, I have not had, like my honourable friend, an intimate contact with the representative of His Majesty at Ottawa. Nevertheless, I have beheld him objectively and from afar, and I have been pleased to note that in his public appearances from the Atlantic to the Pacific, and in his utterances in addressing public audiences, His Excellency has in no way fallen below the high standard of his predecessors.

It is no easy task for the representative of His Majesty to one of the Dominions to direct his steps and express his thoughts in such a way as to avoid alluding to questions or invading fields on which political parties are divided, and thus to escape becoming the subject of public discussion. I have known of Governors General who were so fearful of making a false step that they would not address even a board of trade or unveil a monument without first submitting the text of their remarks to their chief advisers. Whatever may have been the advice received by Lord Bessborough, he may feel that throughout the term of his office he has discharged his duties to the thorough satisfaction of the Canadian people.

Lord Bessborough in the performance of his duties has had by his side a lady who comes from across the Channel, a lady of French descent, who has been not only a helper but an ornament to Government House.

My honourable friend from Essex (Hon. Mr. Lacasse) has raised the point that this Address should go forward to Their Excellencies in both French and English. Under our Constitution that is but fitting. But the fact that Their Excellencies represent the high civilization of both Great Britain and France, and that either of them can address either a French audience or an English

audience in its native tongue with equal grace and facility, makes it doubly fitting.

I join with my right honourable friend in regretting the departure of Their Excellencies. I hope the link which has been forged will be strong enough to cause them to return, so that we may have the privilege and pleasure of again welcoming them to this country.

Right Hon. GEORGE P. GRAHAM: What I have to say may be considered as out of place, deviating from the line which should be taken in the Senate of Canada in speaking on this Address. I concur in everything that has been said about His Excellency by the two leaders, but in speaking of Her Excellency I want to go further. What I would mention is not so much a national service on her part as a philanthropic one: I refer to the interest she has always shown in the intimate affairs of the ordinary people.

Her Excellency, by virtue of being the wife of the Governor General, has been the Honorary President of the Victorian Order of Nurses, an organization of which I have the honour to be President, and one which I think is of great importance to Canada. Her Excellency has not been an idle Honorary President. She has taken a very active part in the work of that organization, attending its executive sessions very regularly, and visiting the members in the various branches throughout the Dominion of Canada. In this way she has contributed, very largely I think, not only to the well-being of the people affected, but also to the success of the representatives of His Majesty in this Dominion.

I think honourable gentlemen will all agree with me—I know the married men will—that we married men are largely what our wives make us; and I do not think I am going too far when I say that in my opinion the success of His Excellency as Governor General of Canada is attributable in large part to the presence of Her Excellency, his gracious consort.

The motion was agreed to.

It was moved by Right Hon. Mr. Meighen, seconded by Hon. Mr. Dandurand, that His Honour the Speaker sign the Address on behalf of the Senate.

The motion was agreed to.

LAW CLERK OF THE SENATE

METHOD OF APPOINTMENT

Right Hon. Mr. MEIGHEN moved:

Resolved, that the Civil Service Commission be requested to exclude from the operation of the Civil Service Act the position of Law Clerk of the Senate, and that the appointment be made by resolution of the Senate.

The motion was agreed to.

INTERVAL BETWEEN DISSOLUTION AND ELECTION

DISCUSSION ON PRACTICE

Hon. RAOUL DANDURAND: Honourable senators, I crave the indulgence of the House for a few minutes to discuss a matter of current interest. I had intended to do so when the Orders of the Day were called, but there were no Orders of the Day.

Some time ago an honourable member on this side put a question to the right honourable leader of the House with respect to the time that might intervene between dissolution of Parliament and an appeal to the people. My right honourable friend stated that our Constitution was mute on this subject, but I ventured to assert that there was a tradition to guide us. I had a vague recollection of procedure which was followed at the time of prorogation and which I thought was probably based upon the British practice. At the end of every session the Canadian Parliament is prorogued or continued for forty days. Our Senate Manual, at page 46, contains the form of statement which the Speaker makes when we prorogue, and which it was my duty to pronounce when I occupied the Chair. The Speaker says:

> It is His Excellency the Governor General's will and pleasure that this Parliament be prorogued until.....the.....day of .....next (40 days), to be here holden; and this Parliament is accordingly prorogued until the.....day of.....next.

This presupposes that Parliament is always either in session or adjourned to a given date.

In Bourinot, second edition, page 269, it is stated:

> The summoning, prorogation, and dissolution of Parliament in Canada are governed by English constitutional usage. It is the practice to prorogue Parliament for intervals of forty days.

Since Parliament prorogues or suspends its sittings to a date not beyond forty days, it is logical that after dissolution an election should be held forthwith. May, 13th edition, at page 53, points out that in Great Britain

> The Parliament is summoned by the King's writ or letter issued out of Chancery, by advice of the Privy Council. By the 7 and 8 William III, chapter 25, it was required that there shall be forty days between the teste and the return of the writ of summons; and after the union with Scotland this period was extended to fifty days, such being the period assigned in the case of the first Parliament of Great Britain after the Union. The Meeting of

Parliament Act, 1852 (15 and 16 Victoria, chapter 23), enacted that the time between the proclamation and the meeting of Parliament might be any time not less than thirty-five days; and this period was reduced to twenty clear days by the Representation of the People Act, 1918.

Under the Great Charter of King John forty days were assigned for this period.

There is throughout the country an erroneous impression that the Seventh Parliament of Canada ended in April, 1896, by effluxion of time. Since 1867 no Canadian Parliament has been terminated by effluxion of time. The Parliament of 1896 would have become functus officio if it had lasted until the 25th of April, but it was prorogued two days earlier, on the 23rd, to the 2nd of June. This would imply that an appeal to the people could have been made and a new Parliament elected before that date. On the 24th of April Parliament was dissolved, and the senators and members of the House of Commons were "discharged from their meeting and attendance until the 2nd day of June next." Also on the 24th of April there was a proclamation for the issuing of writs, which were returnable on the 13th of July. As honourable members know, the election took place on the 23rd of June, that is to say, two months after the proclamation. On the 24th of April another proclamation was issued, calling the House of Commons to meet on the 15th of July for the dispatch of business. And on July 13 there was a proclamation which continued prorogation to the 19th of August and summoned Parliament for the dispatch of business on that date.

My conclusion would be that under our British parliamentary institutions the delay between dissolution of Parliament by the Governor General, or by effluxion of time, and the summoning of the people to the polls, must be as short as possible, in order that there may be in existence a Parliament which is either sitting or prorogued to a certain date.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

CANADIAN FISHERMAN'S LOAN BILL

REPORT OF COMMITTEE

Right Hon. Mr. GRAHAM presented, and moved concurrence in, the report of the Standing Committee on Banking and Commerce on Bill 120, an Act for the purpose of establishing in Canada a Long Term Mortgage Credit for Fishermen.

Right Hon. Mr. MEIGHEN: This Bill, except for necessary changes in wording to meet the case of fishermen instead of farmers, is a duplicate of the Farm Loan Act which was passed in 1927 and quite extensively amended this session.

No exception can be taken to the one amendment which the committee has made. Its purpose is to make certain that buildings are to be included in mortgages. The word occurs in one section, but is omitted in another.

The motion was agreed to.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill, as amended.

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

ADJOURNMENT—BUSINESS OF THE SENATE

Right Hon. Mr. MEIGHEN: I see no object in the Senate adjourning to a later hour to-night. It may be necessary for us to meet to-morrow morning at 11 o'clock. I therefore move that when the House adjourns it stand adjourned until to-morrow at 11 o'clock in the forenoon.

Hon. Mr. DANDURAND: Does the right honourable gentleman intend to take up Bill 121, respecting the convention between Canada and Poland?

Right Hon. Mr. MEIGHEN: We shall take it up as soon as it reaches us.

Hon. Mr. DANDURAND: I thought it reached the Senate this afternoon.

Right Hon. Mr. MEIGHEN: The protocol was laid on the Table.

Hon. Mr. PARENT: Do I understand that the Committee on Banking and Commerce is to meet again to-night?

Right Hon. Mr. MEIGHEN: No; the committee has no further work for the time being.

Hon. Mr. HORSEY: Notice was given of a meeting to-night.

Right Hon. Mr. MEIGHEN: The notice was given in expectation that the Grain Bill or some other measure would be before us to-night, in which event it would have been referred to the Banking and Commerce Committee. There will be no need for the committee to meet until after the Senate adjourns to-morrow morning.

Hon. Mr. DANDURAND: Perhaps notice might be given to that effect.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: The House of Commons has not suspended its 11 o'clock rule. When Commoners were younger they could work until 2 or 3 o'clock in the morning on the last days of a session, but apparently they are not able to do so to-day.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Friday, July 5, 1935.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

PAY OF SENATE EMPLOYEES

Hon. E. S. LITTLE: Honourable senators, on June 11 the Standing Committee on Internal Economy and Contingent Accounts reported to the Senate on three or four matters which had had the committee's consideration for some time. The third paragraph of the report recommended:

> That the Senate doormen who on April 1, 1935, had a Senate service of fifteen years or more be paid at the rate of $5 per day, and that the pay of doormen with less than fifteen years' Senate service be increased to $5 per day on their completing fifteen years' Senate service.

This recommendation was made in order to put the doormen of the Senate on a parity with those of the other House. I find that owing to the way in which this clause was worded these men are not getting the increased salary which the committee intended. I therefore propose, seconded by the honourable senator from Edmonton (Hon. Mr. Griesbach):

> That the sixth report of the Standing Committee on Internal Economy and Contingent Accounts be amended by substituting the words "fourteen years" for the words "fifteen years" where they appear in paragraph three of the said report.

Hon. Mr. GRIESBACH: I have much pleasure in seconding the motion.

Hon. Mr. DANDURAND: Has the Senate adopted the report?

Right Hon. Mr. MEIGHEN: Yes. I do not think the procedure suggested is correct, assuming the purpose is right. We cannot amend a report already adopted, for it is no longer merely a report. We can rescind its adoption, and then present it in another form for adoption.

Hon. Mr. DANDURAND: If the Senate is agreeable, the motion can be altered by the Clerk so as to fit in with our procedure.

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. SHARPE: We made a mistake of one year. The report should have read "fourteen" instead of "fifteen" years.

Hon. Mr. DANDURAND: An error was made of a few months.

Hon. Mr. MURDOCK: I think the matter ought to be dealt with in some way. I sat on the committee when the motion was passed, and I think all the members assumed that the Senate doormen would, as from April 1, get the same rate of pay as is received by similar employees in the House of Commons. During the session we have passed Bills dealing with fair wages, contemplating equal wages in rateable trades, and so forth, and I think it would be a great mistake not to put our doormen on the same footing as the doormen of the other House. Our employees are just as capable and faithful as the doormen of the Commons, yet their pay is 50 cents below the Commons rate. I think the right honourable leader of the House is correct in saying that possibly action cannot be taken in just the way this motion proposes. Nevertheless, I think it should be taken in order to give effect to what I am quite sure the Internal Economy Committee believed was going to be done when the matter was dealt with on June 11.

Hon. Mr. GRIESBACH: We are to understand, then, that if this motion carries the procedure suggested will be followed and effect will be given to the report.

Hon. Mr. DANDURAND: That is, the motion will contain a rescission of the resolution of the Senate, and will be followed by an amendment.

Right Hon. Mr. MEIGHEN: And the increase will date from the 1st of April this year.

Right Hon. Mr. GRAHAM: The granting of the increase will protect us from the effect of some of our own legislation. We might be in a bad way if we paid less than a fair wage.

Right Hon. Mr. MEIGHEN: A penalty of $5,000.

Right Hon. Mr. GRAHAM: The employees themselves might institute proceedings.

The Hon. the SPEAKER: Is it the pleasure of the House to adopt the motion on the understanding that the recommendation is to be amended?

The motion was agreed to.

CANADIAN WHEAT BOARD BILL

FIRST READING

A message was received from the House of Commons with Bill 98, an Act to provide for the Constitution and Powers of the Canadian Wheat Board.

The Bill was read the first time.

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of the Bill.

He said: Honourable members, as we all know, this Bill has been under review for a long time in a special committee of the other House, and differs substantially from the one originally introduced. I have studied the Bill carefully. It provides in effect for the continuation, by the new board which is created, of the control now exercised by Mr. McFarland and his staff in respect of the carry-over of Western grain. The new board will be empowered to purchase grain, or rather wheat—for the Bill no longer applies to other grains than wheat, except in a sense which I shall mention in a moment, and it applies only to the wheat of the four Western Provinces. The board may purchase only from the producer. The term "producer" is carefully defined. If this Bill passes, the Commission will no longer be able to purchase in the market, as it has done in the past for stabilization purposes.

I cannot help saying that personally I have grave doubt as to whether the board can function without wider powers than those given to it; but, as this matter has been very thoroughly considered, I do not know that I shall press for a change in the Bill in this regard. I want to go on record, however, as entertaining some doubt as to whether the board will not, in some way, have to secure wider powers.

As respects grains other than wheat, the new board will not have power to purchase or market except by special provision of the Governor in Council.

The Bill provides for the payment of a certain price to all producers upon sale of grain to the board. A certificate will be given to every producer entitling him to share, in proportion to his deliveries, in any excess which the board may have, after payment of expenses, over and above what has been paid to producers for the same standard of grain. In this respect the Bill conforms exactly with the principle of the old Grain Act, with which I had a great deal to do, and which established the Wheat Board in 1919. This measure really returns to the procedure of 1919 in respect of the marketing of Western wheat.

The other features of the Bill are not difficult to understand. I think the drafting has been carefully done. But I believe it would be wise for us to have a reference to our Committee on Banking and Commerce. I have stated to some people, and I have no doubt other honourable members have done the same, that if they so desire they may make representations to us. Everyone knows that the Bill is just about ready to be passed; so if any persons want to be heard they should be here now. If the motion for second reading is carried, I shall move for reference to the Committee on Banking and Commerce.

Hon. RAOUL DANDURAND: Honourable members of the Senate, I intend not to deal with special aspects of this legislation, but simply to express what I believe to be the principles which should govern trade in general and wheat in particular, since wheat is at present under review. I take it for granted that no one who is subject to the law of supply and demand is entitled in normal times to any special privilege. May I take a moment to explain what I mean by normal times? I understand as normal those periods, occurring between fat years and lean years, when over-production or under-production of any commodity causes the world market price for that commodity to fall or rise, and producers of goods for export are affected by this rise or fall in price. Now, while such normal conditions exist there is no duty on the Government to intervene and try to maintain or boost a price.

I think I have previously stated in this Chamber that at the time when the surplus coffee production of Brazil was about to be thrown into the sea, I met in Paris a Brazilian who produced coffee on a large scale. He declared he had been lucky in having a wise father, who constantly had impressed upon him the necessity of selling according to the world market price, and who before his death saw to it that the business should be managed by a man trained to believe in the same commercial principle. That old manager, who at the time I heard the story was past eighty, had been allowed a free hand in disposing of the crop. My informant said he was sleeping

peacefully at nights because his manager had continued to operate on that principle, that his commodity had to sell at the world market price. He added that some years were profitable and others were not, but that it was bad policy to hold off the market a part of a year's crop and try to dispose of it next year, when conditions might be no better.

In normal times, when prices were moving up and down, this principle was not followed in the disposal of our wheat. I submit it is not the function of any constituted authority to intervene and hold the crop of one year, thus depressing the value of the next crop.

It may be said, "But we are now facing abnormal times brought about by over-production." Again I say, if over-production is a permanent condition, then it must be regarded as normal. The right honourable the Prime Minister, on his return from the Economic Conference, told us that countries like Italy, France and Germany, which used to import wheat, were now on an export basis. So I take it for granted that to-day we are facing a normal condition of over-production. I do not believe that this or any other Government should try to maintain a price which cannot be maintained, but must constantly drop, the effect aggravating the critical condition brought about by good crop years.

If over-production of wheat is a permanent condition throughout the world, as I think everyone admits, then the wheat-grower must face the fact and produce less. I ask my friends the wheat-growers of the West whether, had they not been encouraged to maintain production by the Government intervening to fix a minimum price, they would not have realized, like the farmers throughout our Eastern Provinces, that it is time to reduce their wheat acreage and turn their attention to producing first and foremost what they need for their own sustenance. Then they would not be threatened with starvation because of there being no market for their wheat, or the price being below the cost of production.

I am speaking on general principles. I quote now from the Winnipeg Free Press, which my right honourable friend knows well, he having had to meet its criticism throughout his political life. This is the article:

The Wheat Fiasco—Why Not Face The Facts?

The claim is made that the McFarland policies have put more money into the pockets of the farmers than would otherwise have found its way there; and that they are therefore justified even if as a consequence they have lost their markets for the growers. These claims cannot be established. Mr. McFarland has lost their markets for the Western farmers and he has not made a dollar for them. Instead he has involved them in actual loss, and in contingent losses which may be catastrophic.

If he had sold wheat when he could have sold it instead of holding it for a shortage that never came, there would be to-day no huge Canadian carry-over to depress prices; and our wheat could be sold to-day without difficulty at prices higher than those which Mr. McFarland vainly tries to exact under the conditions which he has himself created.

The carry-over of some 200,000,000 bushels is now, in fact, the property of the Government. It must be moved into consumptive channels for many reasons, one being that the storage space will be needed for the new crop. It will not be moved if the Government's new plans go into effect; in that event it will continue to block the elevators and much of this year's wheat will have perforce to stay on the farms, where it will be impossible to convert it into purchasing power.

Obviously the sensible thing to do in this emergency is for the Government, through the agency of a board, to sell the carry-over and take the loss. There is no escaping this now.

As a long run proposition the wheat-growers of Western Canada will have to sell their wheat on the markets of the world at world prices or go out of business. Mr. Bredt's suggestion to the committee at Ottawa that the Government should as a settled and continuing policy, buy wheat at a price above the world level and sell it at a loss is preposterous.

This would mean a subsidy in perpetuity to wheat. Why not then a subsidy to fish, lumber, dairy products, potatoes, eggs, vegetables, fruit and every other primary product? These subsidies would be demanded and could not be denied: the whole structure would collapse simultaneously with the public credit.

The wheat farmer, having inescapably to meet a situation created under international conditions over which he has a minimum of control, must be put in a position where these international conditions will not press too heavily upon him. This is an essential element of the alternative policy.

Markets must be opened and held by the simple expedient of making it possible for the wheat farmer to take payment in goods. Twice within the past ten days Mr. Bennett has declared that markets for our wheat, available on these terms, are not acceptable to him. But they are acceptable to the wheat farmers and they must insist on being put in a position where they will be freed from their present necessity of selling in a world market and employing the credits thus obtained in buying the necessaries of life at high prices in a restricted market.

By means such as these the Western farmers can escape from the dangerous and critical position they are now in and put their industry on a self-sustaining and self-respecting basis. Or they can take the alternative road, which is being so highly recommended to them by the makers of past policies which have ended in disaster. If the latter, it will be a case of jumping into the lake. Constructively, the Free Press will do what it can to save them from any such fate.

An ex-Minister of Finance of France, Paul Reynaud, on his return from the United States two years ago, wrote an article which

has come to my notice within the last few days. It is so apposite to present-day conditions that it seems to me as if it had been written yesterday. I shall translate it for the benefit of honourable members generally, though I should prefer to give the French text, because a translation sometimes fails to convey the spirit of the original. This is the article:

President Hoover after the New York Exchange crash said: "It is nothing; our economic fabric is healthy; prosperity is around the corner." But Mr. Hoover soon had reason to wonder whether he had not mistaken the boom for normal times, and the return to normalcy for the accident.

The world presents a queer spectacle: twenty million farmers who want to sell their wheat to buy clothing and shoes, and twenty million unemployed who would like to continue to produce clothing and shoes in order to buy wheat and bread. Asia is starving. The Occident, with the machine, is producing more and more. The disorder is solely in the matter of exchange. The United States refuses to exchange with other countries. It stands behind a barricade. Why is exchange, which represents ninety per cent of American activity, paralysed in the home market? The reason is that to-day the rural parts, like the cities, are producing at full swing for unknown needs. Wheat production for export has doubled since the war. In industry the term for payment of goods bought on the instalment plan was extended to two years, and autos, radios, frigidaires, and other articles were sold on that basis. This system was recently exemplified by an illustrated paper published in New York, which showed a father looking at his new-born and saying, "In two years it will be ours."

One hundred and twenty million pairs of feet need yearly but three hundred million pairs of shoes; the production is nine hundred millions. Forty-four per cent of the population live on the land. They form a most important group of the clients of industry. They were the first to be hard hit—wheat at $1.40 in 1925, at $1 in 1929, and down to 42 cents in 1933.

While natural products were losing three-quarters of their market value industry was producing at its maximum. Hence the crash on the stock exchange. Then the State intervened: the Farm Board started buying so as to maintain prices by withdrawing from the market an important quantity of wheat and restricting the play of supply and demand to a diminished stock. The result was an increase in acreage.

I draw the attention of the Senate to this fact: once you maintain or raise the price of a commodity you do not discourage production; you encourage it, even though there be already over-production.

Increased production forced prices down. Two years were lost before the policy of reducing production was adopted. The same operation was carried on with cotton.

In the meantime what was industry doing? President Hoover suggested that salaries and wages be maintained. Industrial products were not reduced in price and were not made accessible to the rural population, whose purchasing power had diminished. Salaries and wages remained fixed as per dogma; interest on capital and rentals as per contract; taxes as per necessity.

If manufactured goods had come down to the same degree that natural products did, exchange would have been carried on at the low level, just as it previously had been carried on at the higher level. But the deferring of the levelling process has prolonged the crisis. Salaries and wages are double what they were in 1913; the prices of natural products have been cut in two. As a result, in exchange for one hour of industrial labour, the farmer must give four times as much of his product as he gave before. The maintaining of the wage level is equivalent to increasing it, and increases unemployment. To increase customs duties is to widen the chasm that must be crossed before equilibrium is restored.

All this gives one considerable food for thought. If this over-production is a permanent thing, as the Prime Minister of Canada says it is, then it is normal, and if that is so it is a condition which must be met. It can be met, not by increasing prices, but only by allowing the law of supply and demand throughout the world to come into play. When it no longer pays to produce an article nobody will be interested in increasing production. So, if it is true that we have permanent over-production in wheat, I say we must face the situation like sensible people, and I wonder if the conclusion is not to be drawn from some of the premises in the article which I have read, that sooner or later we must all agree to accept a lower scale of living, as we did fifty years ago.

Right Hon. Mr. MEIGHEN: Honourable members, I do not think I take issue with the economics embodied in the article of the distinguished French citizen which has just been read. I do not think it follows, however, that we must return to the low standard of twenty-five or fifty years ago. There is no need for that when, through the mechanisms of our time, production has attained such vast dimensions.

But the real subject before us is the Grain Bill. It may be that Mr. McFarland's judgment in handling the very difficult task which he had to perform did not prove errorless. Much that might be said on the other side is not said, because there is an election at hand. Mr. McFarland was faced with the fact that wheat prices were the lowest in five hundred years. Our West is so dependent upon wheat that a contempla-

tion of the condition resulting from thirty-five-cent or twenty-five-cent wheat for one, two or three years is staggering to the mind.

What has happened, after all, whether there should have been more sales or not, is this. A surplus, for which Mr. McFarland was not accountable, and for which this Government certainly was not accountable, had been carried forward from a time of great over-production and unprecedentedly low prices, from a time when its sale would have meant virtual desolation in the West, into a time when, though from the world standpoint there is still over-production, it is in a less aggravated form, and, because of better prices prevailing, it involves less hardship. There may be loss because of prior purchases at higher figures, but that loss will be vastly less than it would have been had the grain been precipitated on the market three or four years ago. That is all I wish to say on the general issue.

We are establishing a board for two purposes. The first is to take over the surplus still on hand—and, in a sense, owned by the country, inasmuch as our guarantee is behind it at a certain figure—to take it over and dispose of it to the best possible advantage, regard being had to all economic conditions. The second purpose is to handle the wheat being produced while this process is under way, and to pay the farmer what we actually get for it. The farmer is asking for nothing. He is to be paid only what the board receives for the grain, less expenses.

There is point to what my honourable friend says in relation to the policy which the new board should pursue in dealing not only with the grain on hand, but also the grain which comes to hand from the farmer. His comment contains much wisdom, and I commend it to the new board.

One does not like to repeat the words "I told you so," but I think I have a right to say that I am not, in even the remotest semse, the parent of any of the wheat boards in the Western Provinces which collected this surplus, nor of the united board which ultimately came to the verge of collapse. The board which functioned under the Government in 1919 and 1920 did its work magnificently. I admit that certain times were marked by excellent prices for grain; but there was a sound principle behind the scheme of operation, and it was successful. It was bitterly criticized at the time, and I suggest to my honourable friend that he look up the files of that day of the newspaper to which he pays such reverence now, to see what those criticisms were. I then offered Western Canada a board along the lines of the one proposed in this very Bill. My proposals were rejected by Western Canada, as they were by the rest of the Dominion, and the plan of provincial boards was adopted and given legislative sanction. Honourable senators whose memories are good may recall the debates which took place in another Chamber in 1922, 1923 and 1924. I would suggest that when time hangs heavy on their hands they might read what I said in those days. I give the invitation cheerfully, feeling that it will not be accepted. If it is, however, honourable gentlemen will not hold me responsible for the policy adopted, or the very dire and, I am afraid, disastrous consequences which followed.

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

CANADA-POLAND CONVENTION OF COMMERCE BILL

FIRST READING

A message was received from the House of Commons with Bill 121, an Act respecting the Convention of Commerce between Canada and Poland, signed at Ottawa, July 3, 1935.

The Bill was read the first time.

SECOND READING

Hon. C. P. BEAUBIEN moved the second reading of the Bill.

He said: Honourable members, the right honourable the leader of the Senate has been called away; hence I am sponsoring this Bill. I think I can say that the general lines of the treaty now submitted to the House are the same as have been followed time and again in the past. It proposes the exchange of commodities between Canada and Poland under the most-favoured-nation clause.

Hon. Mr. DANDURAND: I do not know whether my honourable friend has read the Bill and the convention.

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

Hon. Mr. DANDURAND: If he had I was going to put a few questions. As he has not, I would suggest that we suspend the sitting of the Senate and proceed to the Banking and Commerce Committee to deal with the Grain Bill. When we report, perhaps in half an hour, we can take up this convention.

Right Hon. Mr. GRAHAM: Half an hour? The honourable gentleman is an optimist.

Hon. Mr. DANDURAND: I shall put a few questions to my honourable friend (Hon. Mr. Beaubien). He may be able to answer. The convention is to be found in the schedule

on page 2 of the Bill. Article 1 says:

Articles produced or manufactured in Canada shall not, on importation into Poland, be subjected to other or higher duties or charges than those paid on the like articles produced or manufactured in any other foreign country—

That applies to all goods. Then there is this addition:

—at the same time the articles enumerated in Schedule A to this Convention, produced or manufactured in Canada, shall not, on importation into Poland, be subjected to higher duties than those specified in the said Schedule and shall be subjected to the lowest rates of duty which Poland may grant to any other foreign country on the like articles.

As I was not quite sure of the meaning of the English text, I looked at the French version. I do not know whether the treaty was written first in French and then translated into English, or vice versa. The French version says:

Les articles produits ou fabriqués au Canada ne seront pas soumis, à leur importation en Pologne, à des droits ou taxes autres ou plus élevés que ceux frappant les articles semblables produits ou fabriqués en tout autre pays étranger; ainsi les articles énumérés à la liste A—

Returning for a moment to the English version, I find it says, "at the same time the articles enumerated in schedule A."

—annexée à la présente convention, produits ou fabriqués au Canada ne seront pas soumis, à leur importation en Pologne, à des droits supérieurs à ceux spécifiés dans ladite liste, mais seront soumis aux taux de droits les plus bas que la Pologne pourrait accorder aux articles semblables de tout autre pays étranger.

And the French version says in article 3:

Les articles produits ou fabriqués en Pologne ne seront pas soumis, à leur importation au Canada, à des droits ou taxes autres ou plus élevés que ceux frappant les articles semblables produits ou fabriqués en tout autre pays étranger; ainsi les articles énumérés à la liste B annexée à la présente convention, produits ou fabriqués en Pologne—

Does this convention apply to all goods that may come from Poland to Canada or go from Canada to Poland, irrespective of the limitative schedules contained in the Bill? I cannot clearly understand the phraseology of article 1, in French:

Les articles produits ou fabriqués au Canada ne seront pas soumis, à leur importation en Pologne, à des droits ou taxes autres ou plus élevés que ceux frappant les articles semblables produits ou fabriqués en tout autre pays étranger—

If the clause ended there it would mean that most-favoured-nation treatment would be accorded by one country to the other with respect to all goods passing between them; but it seems to me, in view of the use of the next word, "ainsi," that it is capable of the interpretation that this treatment is restricted to the products listed in schedule A.

From the English version I should gather that the first part of the article is a general declaration that all products of Canada shall have the advantage of most-favoured-nation treatment. But my honourable friend (Hon. Mr. Beaubien), who is familiar with the two languages, will see the clause in French is somewhat equivocal, when it says, "ainsi les articles énumérés à la liste A," instead of "de même que," or "aussi bien que," or some other phrase conveying the meaning that the general clause covers those products which are to receive special treatment, which means, I surmise, that they will be subjected to a duty somewhat below the general tariff. I should like to have an explanation from my honourable friend on this point.

Hon. Mr. BEAUBIEN: With misgivings I will express my own interpretation of article 1 and the schedule to which it refers. The first part of article 1 says that products of Canada on importation into Poland shall not be subjected to any higher duty than is imposed on like products of any other country. Now, for certain products of Canada a duty equal to that imposed on like products from other countries might be prohibitive. That is why schedule A provides definite rates of import duties on Canadian goods therein mentioned. But if a lower rate than that specified in any case is accorded with respect to like goods from other countries, it shall be applied to the Canadian importation. This schedule is a protection.

Hon. Mr. DANDURAND: If I understand it correctly, all the products of Poland may come into Canada under most-favoured-nation treatment, and all our products may enter Poland under the same treatment, but the products mentioned in the schedules may obtain a special advantage.

Hon. Mr. BEAUBIEN: That is my interpretation. I fail to see how any other interpretation can reasonably be given to this article 1 in combination with schedule A.

Hon. Mr. DANDURAND: I confess that I found it difficult to hold to that view when I read the French text. In my opinion the word "ainsi" is a poor translation of the English phrase "at the same time."

Hon. Mr. BEAUBIEN: I think the experience of Canada, in connection with a French treaty for instance, has shown that we should be protected by definitely limited

duties on products with respect to which we are particularly desirous of stimulating our export trade. In this instance, although our goods are to be admitted to Poland at rates no higher than those which apply to like goods from other countries, the Government has thought it prudent to stipulate that in any event the duties on products mentioned in schedule A shall not be higher than are there stated.

Hon. Mr. DANDURAND: If this convention is meant to cover, and does cover, all our products, and not only those mentioned in the schedule, I would point out to my honourable friend that it is in line with the policy of the previous Government of this country to grant most-favoured-nation treatment to countries with whom we make trade arrangements. We are granting most-favoured-nation treatment to Poland. I asked my honourable friend (Hon. Mr. Beaubien) if the convention covered more than the goods referred to in the schedule.

Hight Hon. Mr. MEIGHEN: Oh, yes, it does.

Hon. Mr. DANDURAND: Is it a general convention?

Right Hon. Mr. MEIGHEN: It is.

Hon. Mr. DANDURAND: So that henceforth all goods entering this country from Poland will receive most-favoured-nation treatment, and Poland will accord similar treatment to goods imported from Canada. I welcome this convention, because in the first place I am in favour of easing the conditions under which goods may be exchanged, and, secondly, because it is a tangible proof that my earlier dream of the freedom of Poland has come true. I do not know why I was especially interested in the situation of Poland, and I suppose I was not the only Canadian similarly interested. I always entertained the hope that one day Poland, partitioned by three surrounding empires, would be redeemed as a free nation. It was a great joy for me when reading the Fourteen Points of Woodrow Wilson to notice that the Thirteenth Point imposed upon Germany the obligation of recognizing the freedom of Poland, and provided for the creation of the Polish Corridor and the Free City of Danzig. I felt proud of President Wilson's action, but I feel less proud to-day of what I might call l'américain moyen. I think it was Poincaré who spoke of "le français moyen." I have been told that "l'américain moyen" may be translated as "the average American" or "the mean American." Perhaps the second version would more accurately express my view when I think of the rejection of Woodrow Wilson's Fourteen Points, one of which provided for the establishment of Polish independence. I am looking forward to better days when the United States will play the role of arbiter in helping to maintain peace throughout the world.

I give my whole-hearted support to this convention.

Right Hon. Mr. GRAHAM: May I ask a question, which I think is apropos? Is the right honourable leader of the House in a position to give us any information as to the negotiations between the United States and Canada concerning a trade agreement?

Right Hon. Mr. MEIGHEN: I am sorry I can give no further information than this, that I am not one of the negotiators. I do not know in what position the negotiations are.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: I draw the attention of the right honourable gentleman to the queer wording of articles 1 and 3 in the French version of the Bill. However, since the convention has been signed, I suppose it cannot be amended except by consent of both parties.

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

COMBINES INVESTIGATION BILL

MESSAGE FROM COMMONS

The Senate proceeded to consider a message from the House of Commons disagreeing with certain amendments made by the Senate to Bill 79, an Act to amend the Combines Investigation Act.

Right Hon. Mr. MEIGHEN: Honourable members, I will deal with the latter amendment first; that is the one with reference to the word "likely." When the Bill came to us it provided that where the court found that a merger operated or was likely to operate to the disadvantage of the public, the merger was to be dissolved and punishment ordered. We changed the word "likely" to "designed," for the reason that "likely" imposes upon the court a duty to estimate possibilities in trade and commerce. But when "designed" is used the court is required simply to determine the intentions of the creator of the merger. A

person cannot be punished for what may likely happen as a result of his action, unless his objective is the commission of a crime. The word "designed" is used everywhere else when we are dealing with criminal matters, and I have no doubt at all that it is the proper word here. But the matter is not of first-rate importance, and for my part I am prepared to yield to the other House in this regard.

The other amendment is of a different character. It is not correct to say that it is the intent of the Combines Investigation Act to prevent combines other than those in respect of trade and commerce. There is a complete misapprehension behind the message. On looking at the Act you will see it is based on our authority in respect of trade and commerce. That is the constitutional rock upon which we place our feet when we are dealing with this matter. The various sections of the Act are tied in with trade and commerce and commodities. For example, it never was intended to make it possible to deal with a combine of the medical or the legal fraternity in respect of their services.

Hon. Mr. MURDOCK: Plumbing?

Right Hon. Mr. MEIGHEN: Nor with plumbers in respect of their services. It had jurisdiction over plumbing because plumbing supplies come under trade and commerce. There is a fundamental error behind the message of the other House, and therefore I move:

That the Senate do not insist on the second, but do insist on the first amendment.

Hon. Mr. DANDURAND: I have not the Act before me, but I am disposed to agree with my right honourable friend's interpretation. I suppose the reasons which he has given will be contained in the message to be sent to the House of Commons.

Right Hon. Mr. MEIGHEN: I should like to hear from the honourable senator from Parkdale (Hon. Mr. Murdock). He is closer to the Act than any of us.

Hon. Mr. MURDOCK: As far as the word "designed" is concerned, as a layman I cannot imagine how it could ever be proven before the courts that certain persons, by entering into an arrangement which might result in a merger or combine or monopoly, designed to do certain things detrimental to the public interest. Before I entered the Chamber Mr. O'Connor, who has been our legal adviser on most of these matters, explained the position to me. I assume he is right and that the word "designed" would be the better word. But personally it seems to me we should bear in mind what is likely to happen as a result of any combination or merger.

Hon. Mr. DANDURAND: That is, what will be the effect?

Hon. Mr. MURDOCK: Yes; what will be the culmination of the arrangement entered into by certain persons. I repeat, I could never understand how you could prove in court that Tom, Dick or Harry, by entering into a certain arrangement, designed to do this, that or the other thing detrimental to the public interest. But of course I would not set my judgment against that of legal gentlemen.

I agree absolutely with the position taken by the right honourable leader of the House with regard to the first amendment rejected by the other House. To my mind it is nonsense to say that the Parliament of Canada has no business to deal with the plumbing industry. True, Parliament cannot restrict plumbers, but, as part of their general arrangement or combination with one another, plumbers use products that come within the meaning of trade and commerce, and therefore they must come under the provisions of the Combines Investigation Act.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: The reason for our insistence on the first amendment might be expressed in this form: that the whole purpose of the Combines Investigation Act relates to the restriction of trade and commerce, and that the wording of the Bill in many other particulars shows that that purpose is carefully and strictly followed out. The wording deviated only on this one point.

The Senate adjourned during pleasure.

After some time the sitting of the Senate was resumed.

LAW CLERK OF THE SENATE

APPOINTMENT OF W. F. O'CONNOR, K.C.

The Hon. the SPEAKER informed the Senate that he had received a message from the Civil Service Commission reading as follows:

The Honourable the Speaker of the Senate, in accordance with a resolution of the Senate adopted on July 4, 1935, has submitted to the Civil Service Commission, through the Clerk of the Senate, a request that the position of Law Clerk and Parliamentary Counsel of the Senate should be exempted from the operation of the Civil Service Act, and the Civil Service Commission having, upon a previous occasion, adopted the principle that it seemed fitting

that the right of appointment of those officers who have seats upon the floor of either House of Parliament should, if requested by such honourable body or bodies, be released from the operation of the Civil Service Act, and the right of appointment transferred from the Civil Service Commission to the House respectively concerned;

In pursuance of this decision, and upon request set out in the first paragraph hereof, the undersigned Civil Service Commissioners have the honour to recommend that under the provisions of section 59 of the Civil Service Act, the following position on the staff of the Senate of Canada be excluded from the operation of the Civil Service Act in so far as the appointment thereto is concerned; but that in all other respects it should be subject to the provisions of the said Civil Service Act, 1918, and amendments, namely:

Law Clerk and Parliamentary Counsel of the Senate

It is further recommended, as required by said section 59, that such position is to be dealt with as follows, namely:

That the said position be filled by Resolution of the Honourable the Senate.

Right Hon. Mr. MEIGHEN moved:

That William F. O'Connor, K.C., be appointed Law Clerk and Parliamentary Counsel of the Senate.

He said: Honourable members, only those who have worked in close contact with Mr. O'Connor through the greater part of several sessions can realize the exceptional value of his services; but I think I can say it is the unanimous desire of this House that those services should be availed of in the capacity mentioned throughout the entire year.

Hon. Mr. DANDURAND: I concur in the motion of my right honourable friend. I think I can appreciate the value of the services which Mr. O'Connor, by reason of his qualifications, has rendered to the Senate in the past, and is destined to render in the future. I should like, however, to ask my right honourable friend whether the classification of the position, as made by the Senate and approved by the Civil Service Commission, does not carry with it a rate of remuneration quite independent of anything we can do.

Right Hon. Mr. MEIGHEN: I think the impression of my honourable friend is correct. However, I leave it to the Clerk to ascertain the fact.

The Hon. the SPEAKER: I am informed that the position is classified, but that the Civil Service Commission has expressed the desire that the Senate suggest what the salary should be.

Hon. Mr. PARENT: May I ask the right honourable gentleman whether the nominee in the present case will have to devote all his time to the work of Law Clerk of the Senate?

Right Hon. Mr. MEIGHEN: To the work of the Senate. I have no doubt he will make himself available for any other governmental work of legal nature that may be assigned to him.

The motion was agreed to.

CANADIAN WHEAT BOARD BILL

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of Bill 98, an Act to provide for the Constitution and Powers of the Canadian Wheat Board.

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

DOMINION ELECTION BILL

FIRST READING

A message was received from the House of Commons with Bill 105, an Act to amend the Dominion Election Act, 1934.

The Bill was read the first time.

SECOND READING

Right Hon. ARTHUR MEIGHEN moved the second reading of the Bill.

He said: Honourable members, this Bill provides that advance polls shall be open only between the hours of 2 and 10 p.m. on the Thursday, Friday and Saturday immediately preceding polling day. There is provision also for the voter to take an oath that he is the person referred to in the list of electors; and the form of the oath is given.

Hon. Mr. DANDURAND: Was that not the law before?

Hon. Mr. HARMER: No; it was just a declaration.

Right Hon. Mr. MEIGHEN: Another section of the Act is made to read as follows:

Notwithstanding anything in this or any other Act, if a writ of election has been issued for a by-election to be held on a date likely to be subsequent, in the opinion of the Chief Electoral Officer, to the dissolution of Parliament, such writ shall, upon notice to that effect being published in the Canada Gazette by the Chief Electoral Officer, be deemed to have been superseded and withdrawn.

I presume that this is to cover by-elections.

There is also an amendment to the French version, paragraph (f), subsection 1 of section 30, by striking out the words "le

sous-officier-rapporteur" in the fifth line, and substituting the words "officier-rapporteur." That is, it substitutes the returning officer for the deputy.

Hon. Mr. DANDURAND: As I am quite satisfied with the bilingualism of my right honourable friend, I will accept his explanation.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

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

DOMINION TRADE AND INDUSTRY COMMISSION BILL

MESSAGE FROM COMMONS

The Senate proceeded to consider a message from the House of Commons disagreeing with certain amendments made by the Senate to Bill 86, an Act to establish a Dominion Trade and Industry Commission.

Right Hon. ARTHUR MEIGHEN: Honourable members, I am not sure that I can keep in mind every one of these exceptions to our amendments, but I shall try to do so, and I hope to be reminded of any that I omit.

The first asks that the word "unanimous" be inserted in an amendment made by the Senate committee and adopted by this House. Our committee had already agreed that the same word should be inserted in another part of the section. My recollection is that we added a portion and then did not carry this word into it. I think, therefore, that we should agree with the message from the Commons in this respect. Insertion of the suggested word will mean that decisions of the Commission to give publicity to agreements must be unanimous.

The second exception which I recall at the moment relates to section 20. That section, as amended, provides that where in the opinion of the Commission there has been a violation of one of the very many Dominion laws regarding trade practices, the Commission may, if it chooses, first issue an order to cease and desist. This provision was inserted by our Committee on Banking and Commerce and adopted by this House. Instead of issuing such an order the Commission may, if it so desires, recommend a prosecution. The House of Commons takes the ground that where a crime has been committed it is not a proper proceeding to issue an order to cease and desist, but a prosecution should be undertaken at once. My opinion, for whatever it is worth, is that the amendment made by the Senate committee is entirely right. We are here dealing with what perhaps might be called artificial crime. We are making crimes for the purpose of establishing trade practices, and it becomes pretty much a matter of opinion whether a breach of a trade practice is of such a character as to warrant prosecution and all the heavy penalties provided by this measure for parties found guilty. Therefore the Senate felt that in most cases where the Commission, in the exercise of its judgment, found there had been a breach, it would be proper to take the preliminary step of issuing an order to cease and desist. However, the House of Commons holds a different view, and I do not intend to recommend that we insist on our amendment.

Another exception is taken by the House of Commons with respect to our amendment providing that there should be no prosecution under section 498 or 498A of the Criminal Code save with the approval in writing of the Dominion Trade and Industry Commission. I am sorry this amendment is not practicable. It is an eminently appropriate one, but I realize the force of the objection which the House of Commons makes to it. That House points out that under the amendment there would be interference with the prerogative of the Attorneys-General of the provinces. I do not recommend insistence on our amendment.

The only other exception I now recall—I am sure I am omitting one—relates to our amendment to section 26. That section of the Bill as submitted to us provided that where a Dominion company was making an issue of securities, the Secretary of State could at any time, if he so desired, refer the capital structure of the company to the Dominion Trade and Industry Commission for review, and after such reference the issue could not be proceeded with until the Commission reported. Our committee and the Senate itself recognized the fact that this subject is distinctly within the provincial prerogative and that in all the provinces with the exception of Prince Edward Island there are commissions specifically and technically qualified to determine on stock issues. While the Dominion Commission could investigate and report with respect to Dominion companies, we felt that under this section we were assuming it could do the work better than the provinces are doing it. And to make its work effective there would necessarily have to be a duplication of provincial machinery.

We took the further ground that the section is exceedingly dangerous. The Secretary of State might refer a matter to the Commission or he might not, and there was no limit to the time when he might act. Assume that he took no action with respect to an issue which turned out badly, as many issues do. We feared that in such circumstances people who lost money on the issue would say that he should have referred the capital structure of the company to the Commission before permission for the issue was granted, and that in effect the lack of action by him was virtually a guarantee of the issue by the Government of Canada.

These reasons appear to me to be powerful and insurmountable, and I intend to move that we insist on our amendment with respect to section 26.

Hon. Mr. LITTLE: The amendment overlooked by the right honourable leader is the one with respect to the Director of Prosecutions.

Right Hon. Mr. MEIGHEN: We made an amendment with regard to the Director of Prosecutions. Our committee was inclined to oppose the erection of that rather high-sounding office, and finally, on deciding in favour of it, brought it distinctly under the Department of Justice. I believe there is another section which says that the Director shall be under the supervision of the Minister of Justice. It is considered important that he should not be an officer of the department; so the House of Commons has rejected the clause which would give him that status. I do not recommend insistence on this amendment.

I shall make a motion, but I am not sure of the proper wording. It should be to the effect that in respect of the first exception taken by the House of Commons and the recommendation that "unanimous" be inserted in our amendment, we agree. With respect to section 26, the Senate insists upon its amendment, because it considers that in order to make the section effective the Dominion Trade and Industry Commission would have to employ a technical staff capable of making intelligent judgments as to the capital structure of companies, and this staff would be a duplication of the commissions now existing in all the provinces except Prince Edward Island, which commissions exercise a supervision that is based on principles determined after an extensive study of this whole subject. And we insist on this amendment, in the second place, because the Secretary of State's power to make a reference to the Commission would be interpreted by the public as a duty which he should perform unless he is certain of the soundness of an issue, and consequently, in any case where a reference was not made, persons who lost as a result of purchasing some of the issue would be disposed to hold the Government responsible. With respect to all other exceptions taken to our amendments by the House of Commons, we do not insist.

Hon. Mr. DANDURAND: I take it the last statement made by my right honourable friend implies that we do not insist upon clothing the Commission with the right to give an order to cease and desist in the case of an unfair practice.

Right Hon. Mr. MEIGHEN: That is so.

Hon. Mr. DANDURAND: Well, if we were not at the last stage of the session much could be said in favour of retaining our amendment.

Right Hon. Mr. MEIGHEN: I think so, too.

Hon. Mr. DANDURAND: We are venturing into an experiment, and I think that business people as a whole would have been happy to have the Commission empowered to intervene by issuing an order to cease and desist, which order in most cases would have sufficed to bring refractory traders into line. For that reason it is most regrettable that the House of Commons has not seen eye to eye with the Senate in regard to this amendment.

As to the other amendments rejected by the House of Commons, I am at one with my right honourable friend in the stand he takes.

Hon. JAMES MURDOCK: Honourable senators, it seems to me a serious mistake will be made if this measure is passed without a provision permitting the Commission to issue, in its discretion, orders to cease and desist. Someone has said that an ounce of prevention is worth a pound of cure. What is the principle underlying the policing of all our municipalities in Canada? The chief function of police officers is to make it clear that it is unwise to encroach beyond the line of proper conduct. This Bill creates a Commission to investigate alleged combines of individuals or companies. In their enthusiasm to make their business profitable they may get close to encroaching upon the rights of producers and consumers. In such cases what more proper function could this Commission exercise, after a thorough investigation of the facts, than to say to the people in these businesses, "Cease and desist from continuing

in the line that you have been following; otherwise you may go beyond what is proper in dealing with producers and consumers"?

Right Hon. Mr. MEIGHEN: And get into real trouble.

Hon. Mr. MURDOCK: It seems to me most important that the Commission should be able to do this. Why should the Commission wait until some citizen commits a crime and then take him into court and prosecute him under section 498?

Hon. Mr. DANDURAND: And the Commission may hesitate to issue a summons, while it would not hesitate to issue an order to cease and desist.

Hon. Mr. MURDOCK: Every decent-minded judge in Canada, and elsewhere, I assume, would like to see prosecutions avoided, except in cases where they are absolutely essential. There is in all of us a sentiment which makes us desirous of giving other human beings full opportunity to keep clear of serious punishment. This amendment of the Senate was in accordance with human nature. It empowered the Commission to say, "Cease and desist before you cross the line where you will make yourself liable to prosecution and penalties under the Combines Investigations Act or section 498 of the Criminal Code." The striking out of this amendment will be very much to the detriment of the Bill. I suppose we should be regarded as unreasonable if at this late hour of the session we stood pat and said, "Thus far will we go and no further." I assume we have to take a chance on what the future may have in store, but I think it is a real misfortune to have this proposed amendment left out of the Combines Investigation Act.

Right Hon. Mr. MEIGHEN: I agree entirely with my honourable friend from Parkdale (Hon. Mr. Murdock). I think the Commons have failed to appreciate the nature of the clause. I may say I did my very best to persuade those whom I was able to see that the amendment was right. I think with longer time I might have succeeded, though the Prime Minister intimated he felt quite strongly on it, and he informed me that the Leader of the Opposition did too. I am sure if the case could have been put to them as it has been put now, there would have been a different attitude. I do not see anything for us to do but accept the Commons' position in respect to this clause; otherwise we should bring about great inconvenience, in view of the attitude apparently taken by both parties in the other House. But I make this prediction: there will be something of the kind done before many months.

Hon. Mr. DANDURAND: Will a message be sent to the House of Commons?

Right Hon. Mr. MEIGHEN: Yes. I move that a message be sent to the House of Commons to inform that House that the Senate does not insist on its other amendments to the Bill, but does insist on its amendment to section 26, for the reasons given. Those reasons I have already stated, and they will be epitomized and embodied in the message.

The motion was agreed to.

Right Hon. Mr. MEIGHEN: There is no other message before the Speaker?

The Hon. the SPEAKER: No.

Right Hon. Mr. MEIGHEN: We might adjourn during pleasure, to meet in fifteen minutes.

Hon. Mr. DANDURAND: If the message has to be prepared, sent over to the other House, and discussed there, and then a message has to be prepared for transmission to this House, these proceedings will take some time.

Right Hon. Mr. MEIGHEN: Then we might adjourn during pleasure, to meet at the call of the bell.

The Senate adjourned during pleasure.

After some time the sitting of the Senate was resumed.

APPROPRIATION BILL NO. 5

FIRST READING

A message was received from the House of Commons with Bill 116, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

The Bill was read the first time.

SECOND READING

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

Hon. Mr. DANDURAND: What is the total amount?

Hon. Mr. BEAUBIEN: The schedules are lengthy, and at the moment I cannot find the total.

Right Hon. Mr. MEIGHEN: The figure is $3,337,000.

Hon. Mr. DANDURAND: Is that all?

Right Hon. Mr. MEIGHEN: No. The total of schedule A is $192,697,728.57. The other figure is the total of schedule B.

Hon. Mr. DANDURAND: This measure is characteristic of all our supply bills. The purpose is the granting of supply, but the Bill never shows the ways and means whereby the money is to be raised. The budget speech gives a general survey of the national finances, with a statement of actual revenues and expenditures for the past fiscal year and estimated revenues and expenditures for the current fiscal year. I think in this respect our system is defective, but at this late hour I do not intend to try to alter it.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: To give point to what I said on the second reading, may I add that after reading the budget speech we forget all about ways and means and plunge into an expenditure which may run millions and millions of dollars beyond our estimated revenues. I am surprised that the Anglo-Saxon mind, more especially the Scotch mind, does not adopt the system which obtains in France and other European countries. Under that system a finance committee submits a statement showing proposed expenditures and the ways and means by which those expenditures are to be met.

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

APPROPRIATION BILL NO 6

A message was received from the House of Commons with Bill 122, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

The Bill was read the first time.

SECOND READING

Right Hon. Mr. MEIGHEN moved the second reading of the Bill.

He said: This is another Supply Bill. The total is $16,359,978.34. The Bill covers a large number of items. Perhaps I need only call attention to four: expenses of the Royal Commission on Price Spreads and Mass Buying, $155,000; expenses in connection with printing amendments to the Election Act, $20,000; expenses of the Royal Commission on Financial Arrangements between the Dominion and the Maritime Provinces, $35,000; cost of machinery and equipment for the Public Printing Bureau, $200,000. Those four amounts were paid under Governor General's warrants. I shall be glad to answer any questions, but it would take a long while to give all the details of this Bill.

Hon. Mr. DANDURAND: It appears to be an omnibus Bill covering many activities, past and present, of the Government.

Hon. Mr. PARENT: I was in the other House a few minutes ago, when this Bill was passed. The right honourable Leader of the Opposition went to the Table and glanced at the Bill, apparently for the first time, and apparently both parties were satisfied to pass it. Consequently, I suppose we may as well pass it. This is one of those measures that come to the Senate at the last moment, when we have no time to consider them adequately. In fact this Bill has not yet been printed in both languages.

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

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

Hon. Mr. DANDURAND: I make the same comments on this Bill as I made on the Supply Bill which came before us earlier to-day. We are giving authority to the Government to spend money, but we are not told how that money is to be provided. As I have previously remarked, after listening to the budget speech we vote supply, but we never inquire how the money is to be raised. This Bill covers further expenditures.

Right Hon. Mr. MEIGHEN: I do not think the budget foreshadowed any further expenditures than those covered by these supply bills.

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

DOMINION TRADE AND INDUSTRY COMMISSION BILL

MESSAGE TO COMMONS

Right Hon. Mr. MEIGHEN: I should make this explanation to the House in respect of the Dominion Trade and Industry Commission Bill. The Senate did not insist upon its amendment to clause 20, regarding the order to cease and desist. When I was on my feet before I did not point out that because of other amendments to the measure, when clause 20 was restored it had to be altered.

In the message which went from this House to the other House clause 20 was altered accordingly.

Hon. Mr. MURDOCK: Then the words "cease and desist" remain in the Bill?

Right Hon. Mr. MEIGHEN: No; the honourable member misunderstands me. We have already passed a motion not insisting on our amendment, but in explaining our position I did not move a clause in substitution for clause 20, to bring it into line with other amendments. In the message which we sent to the other House that substitution was made, and the Commons were asked to concur in it.

Hon. Mr. DANDURAND: I was under the impression that the clause would have to be altered to correspond with the amendments.

Hon. Mr. MEIGHEN: Yes, that had to be done.

PROROGATION OF PARLIAMENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Secretary to the Governor General, acquainting him that His Excellency the Governor General would proceed to the Senate Chamber this day at 3.40 p.m. for the purpose of proroguing the present session of Parliament.

The Senate adjourned during pleasure.

His Excellency the Governor General having come and being seated on the Throne:

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

Who being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by His Excellency the Governor General:

BILLS ASSENTED TO

An Act to amend the Soldier Settlement Act.

An Act respecting Canadian Marconi Company.

An Act respecting The Sarnia-Port Huron Vehicular Tunnel Company.

An Act for the relief of Dora Eleanor Mathieson Campbell.

An Act to amend The Natural Products Marketing Act, 1934.

An Act to amend The Companies Act, 1934.

An Act respecting Fruit, Vegetables and Honey.

An Act to assist the Construction of Houses.

An Act relating to the application of The Farmers' Creditors Arrangement Act, 1934, in the Province of British Columbia.

An Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Fishermen.

An Act respecting the establishment of an Exchange Fund.

An Act respecting the Convention of Commerce between Canada and Poland, signed at Ottawa, July 3, 1935.

An Act to amend the Criminal Code.

An Act respecting Radio Broadcasting.

An Act to provide for limiting the Hours of Work in Industrial Undertakings to eight in the day and forty-eight in the week, in accordance with the Convention concerning the application of the principle of the Eight Hour Day or of the Forty-eight Hour Week adopted by the General Conference of the International Labour Organization of the League of Nations, in accordance with the Labour Part of the Treaty of Versailles of 28th June, 1919.

An Act to amend The Dominion Elections Act, 1934.

An Act to amend the Combines Investigation Act.

An Act to provide for the Constitution and Powers of the Canadian Wheat Board.

An Act to establish a Dominion Trade and Industry Commission.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1936.

THE GOVERNOR GENERAL'S SPEECH

After which His Excellency the Governor General was pleased to close the Sixth Session of the Seventeenth Parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

In bringing to a close the last session of the 17th Parliament of Canada I congratulate you upon the extent and importance of your legislative enactments.

My Ministers have for some time been convinced that reforms and adjustments in the existing economic system have become necessary to insure its more effective and equitable operation. Throughout the world there is a new approach on the part of governments to financial and economic problems, and I confidently believe that the Economic Council of Canada, for which you have provided, will in the future become an important factor in the Government service for the correlation of information and scientific investigation.

By the Natural Products Marketing Act, enacted at the last session of Parliament, you provided for investigations into costs, price spreads, trade practices and other matters related to the production, marketing and processing of natural products.

During the present session you have amended that statute and the Combines Investigation Act; the Companies Act and the Criminal Code; and provided for the establishment of a Dominion Trade and Industry Commission. These measures will insure to investors security

against fraud, to the producer and distributor the elimination of unfair practices, to the consumer higher standards of products, and to the Dominion a condition of healthy competition in industry. The provision made for the appointment of a Director of Public Prosecutions ensures the enforcement of these enactments.

By the legislation enacted respecting minimum wages, hours of work and weekly rest, the Parliament of Canada has made an important advance in the field of social legislation. These measures are of great importance because of their bearing upon economic conditions throughout the country and because they represent Canada's determination to maintain fair and humane conditions of labour for men, women and children in keeping with the national obligations under the treaties of peace and the conventions adopted by the General Conference of the International Labour Organization of the League of Nations, to which Canada subscribed.

Through the action of my Government, in co-operation with the financial institutions of the country, Canada enjoys the most favourable interest rates in its history. The provision which you have made for loans to farmers at low interest rates, and the measure which you have enacted during the last session of Parliament respecting farmers' indebtedness have improved their economic condition. The amendments made to these measures during the session will further extend their benefits. You have also made provision for assisting fishermen by establishing a system of long term mortgage credit.

The enactment of the measure relating to Unemployment and Social Insurance will through the establishment of a national labour exchange service, provide for dealing more effectively with the problem of seasonal and other unemployment, and will afford the means whereby Canadian workers can, with the assistance of the Government, make provision for their own security.

Following a conference with the representatives of all the provinces my Ministers have decided to appoint a Royal Commission to make a thorough investigation of our national health problems with a view to proposing a definite plan for the co-operation of federal and provincial authorities in a national health policy.

The measures which you have taken to provide for public works and undertakings throughout Canada, to authorize the guarantee of certain railway equipment securities, and to assist in the construction of houses will, it is confidently believed, do much to stimulate industry in the building trades throughout the country and create employment.

The action which you have taken during the past few years to raise prices paid to wheat producers gives effect to the policy adopted at the Empire Economic Conference held at Ottawa and the World Economic Conference held at London. By your action in providing for the Canadian Wheat Board that policy will be continued.

The provisions which you have made for the revaluation of gold and an exchange stabilization fund constitute an important effort to restore normal exchange conditions throughout the world and make possible a greater volume of international trade.

Important amendments have been made to the Income War Tax Act, and provision has been made for the rehabilitation of drouth and soil drifting areas in the Prairie Provinces. Other measures include the Relief Act and an Act to amend and consolidate the Acts relating to Patents of Invention.

During the session my Government tabled the additional protocol to the trade agreement between Canada and France, which provides for the extension of further tariff concessions by each country to the products of the other. You have approved a Convention of Commerce between Canada and Poland, by means of which it is hoped to increase the trade between the two countries on mutually advantageous terms. A modus vivendi was also concluded with the Republic of Haiti, and the New Zealand trade agreement has been extended.

Members of the House of Commons:

I thank you for the provision you have made for the Public Service.

Honourable Members of the Senate:

Members of the House of Commons:

You have reason to rejoice in the proud position which Canada enjoys as a member of the British Commonwealth of Nations. The world-wide celebrations commemorating the twenty-fifth anniversary of the accession to the Throne of His Majesty have impressed the whole world with the unity and solidarity of the Empire, the devotion and loyalty of its peoples to the Crown and the extent of its influence for peace and security.

My official connection with Canada is drawing to a close. My interest in the Dominion, however, will not terminate with my departure from its hospitable shores. I shall continue to watch its progress and development with deep and abiding interest and the sincere hope and belief that, under God's Providence, it will ever increasingly prosper.

THE GOVERNOR GENERAL'S REPLY TO JOINT ADDRESS

From the floor of the Senate the Honourable the Speaker of the Senate read in French, and the Honourable the Speaker of the House of Commons read in English, the Address to His Excellency the Governor General adopted on July 4 by both Houses of Parliament.

His Excellency was graciously pleased to reply as follows:

I wish to thank you very sincerely, honourable members of the Senate and members of the House of Commons in Parliament assembled, for the terms of your Address.

I, too, feel deep regret that my term of office as the King's representative in the country should be drawing to a close. When one has made his home in any country for nearly five years, it is no easy matter to leave it, more particularly after experiencing such constant proofs of friendship and goodwill as I have met with on all sides.

Believing as I do that one of the chief functions of a Governor General is to maintain personal contact between the King and his subjects, I have endeavoured throughout my tenure of office to travel widely over this great country. In doing so, I have been able not only to visit repeatedly all the great cities that lie between the Atlantic and the Pacific coasts, but also to reach many of the remoter country

districts. As a result, I have, at one time and another, met personally a great number of your fellow-citizens, old and young, and through them, more than by any other means, I have been able to gain some insight into the many problems with which this Parliament is constantly engaged.

In this way, I have learnt much—and have been deeply interested in the learning—of the human background of the Canadian nation; I have seen how the inspiration of the past has fortified the present generation to endure so gallantly the heavy trials which this troubled age has imposed on all mankind; and I have sought, as we all do, to look forward along the road that Canada must travel in the future. That road may well be beset with further difficulties and further hardships. What nation to-day would be bold enough to say that its future path was free from them?

But, though the road be rough, and though it wind uphill, a nation true to itself does not fear it; and Canada with her line still unbroken, as your Address rightly says, with her head still high, will surely tread it with that resolution which overcomes all obstacles.

I appreciate deeply your kind personal allusions to Lady Bessborough and myself. If I may in turn strike a personal note, let me assure you that our recollections of these years will not be only of the hard-fought economic struggle that will characterize them in history. We have been happy in Canada, both ourselves and our children; and we shall carry home a full store of memories of pleasant relationships, of many kindnesses, and of most generous hospitality. Such memories, together with the permanent interest in Canada and the Canadians that we have all acquired, will help to compensate for the ending of my official connection with this Dominion as a servant of the Crown.

When I reach England, it will give me great pleasure once more to assure the King of the unswerving loyalty to his throne and person which, as I know from my own experience, is so abundantly evident in all parts of Canada, especially in this memorable year of His Majesty's Silver Jubilee.

Once more, honourable members of the Senate, and members of the House of Commons, I thank you most heartily; and I pray that you, and those who come after you, may ever be granted wisdom to direct aright the affairs of a country so rich in promise, and of a people so loyal and so courageous.

Je tiens à vous remercier bien sincèrement, honorables membres du Sénat et membres de la Chambre des communes du Canada, réunis en parlement, de la teneur de votre adresse.

J'éprouve, moi aussi, un profond regret à la pensée que ma mission de représentant du Roi en ce pays touche à son terme. Quand on s'est fait un chez soi dans un pays durant près de cinq ans, ce n'est pas chose facile que de le quitter, surtout lorsqu'il vous y a été prodigué de tous côtés tant de témoignages constants de bonnes et amicales dispositions.

Persuadé comme je le suis que la fonction essentielle d'un Gouverneur général est de maintenir le contact personnel entre le Roi et ses sujets, je me suis toujours efforcé, durant le temps de ma mission, de parcourir le plus possible votre grand pays. De la sorte, il m'a été donné non seulement de visiter à plusieurs reprises toutes les grandes villes de l'Atlantique au Pacifique, mais aussi de prendre contact avec beaucoup de vos districts les plus éloignés. C'est ainsi que j'ai pu rencontrer personnellement un grand nombre de vos concitoyens de tout âge; et c'est d'eux plus que de toute autre source que j'ai obtenu des éclaircissements sur les nombreux problèmes dont ce parlement se trouve constamment saisi.

De la sorte j'ai appris, sur le fond humain de la nation canadienne, nombre de choses qui m'ont profondément intéressé. J'ai vu combien la génération actuelle doit à la conscience du passé de supporter vaillamment les lourdes épreuves dont ces temps troublés accablent l'humanité toute entière; comme vous tous, j'ai cherché à me représenter la voie d'avenir vers laquelle s'achemine le destin du Canada. Il se peut que cette voie soit semée de nouvelles difficultés et de nouvelles misères. Quel pays au monde oserait prétendre que son avenir s'en trouve exempt?

Mais aussi rude, sinueuse et montante que puisse être sa route, une nation fidèle envers elle-même ne craint pas de la gravir. Comme vous le dites si bien dans votre adresse, en rangs serrés, la tête haute, les Canadiens suivront la leur avec cet esprit de résolution qui surmonte tous les obstacles.

Je suis profondément touché de vos aimables paroles à l'adresse de Lady Bessborough et à la mienne. D'un point de vue personnel, vous m'autoriserez à dire que la dure lutte économique, qui dans l'histoire caractérisera ces dernières années, ne sera pas l'unique objet de nos souvenirs du Canada. Nous et nos enfants avons été heureux en ce pays. Les liaisons agréables que nous nous y sommes faites, les aimables et multiples témoignages de la plus généreuse hospitalité qui nous y ont été donnés nous resteront présents à l'esprit. Tous ces souvenirs et l'intérêt durable que nous portons au Canada et à son peuple nous aideront à supporter le regret causé par l'expiration de mes fonctions officielles au service de la Couronne.

A mon retour en Angleterre, je me réserve le plaisir de dire au Roi l'indéfectible fidélité à son trône et à sa personne dont j'ai eu par tout le Canada de si nombreux et évidents témoignages, surtout en cette année mémorable du jubilé d'argent de Sa Majesté.

Encore une fois, honorables membres du Sénat et membres de la Chambre des communes, je vous remercie de tout cœur. Puissiez-vous, ainsi que vos successeurs, continuer à diriger dans la sagesse et le droit chemin les destinées d'un pays aussi riche en promesses et d'un peuple aussi loyal et aussi courageux!

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